

السنة الخامسة

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SERVING THE MOTOR INDUSTRY

WIPAC

IGNITION LIGHTING
FILTRATION

CHRISTIE'S
IN THE CITY



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Voyage around the Aegean Sea p11



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Not the happiest anniversary
BRITAIN'S FILM INDUSTRY
Why the revival may falter p17

London orchestras raise the tempo p14



Designs for the great outdoors p13



Liverpool set for budget clash

The Government is heading for a constitutional clash with Liverpool Council over its proposed illegal budget, after the Labour group increased its majority in local elections.

The Conservatives lost ground both in these polls and in the parliamentary by-elections at Surrey South-west and Stafford, the Alliance cut Tory majorities, while at Cynon Valley, Labour held firm and the Alliance came second.

Emergency measures for commissioners to take over Liverpool are ready to be rushed through parliament if the council sets its illegal budget later this year. **Back Page**

Llanwern coal deal

Miners' leaders agreed to provide Llanwern steelworks in Wales with 30,000 tonnes of coke to prevent damage to the plant. **Back page, Managers' conference, Page 4**

House price rises slow

House prices are rising more slowly than at this time last year, according to the Halifax Building Society. **Page 3**

Car wars

Ford launched an incentive campaign for dealers, reopening a price war in UK showrooms. **Page 3**

Guas planted, UK says

Britain accused Libya of planting guas found in a safe in the British embassy in Tripoli. **Page 2**

Widow must leave

Afsa Begum, 20, a Bangladeshi widow arrested after hiding for more than a year to escape deportation, has lost her appeal to the Home Office to stay in Britain.

Water kills 1,500

More than 1,500 people, most of them babies, have died, and 30,000 stricken by contaminated drinking water in epidemics spreading across India.

Arafat offers talks

PLO leader Yasser Arafat has offered peace talks with Israel aimed at a Palestinian state on the Jordan West Bank. But earlier he had urged Arab nations to fight the U.S. administration.

Moscow opens lines

A 20-month ban on direct telephone calls from the West to Moscow has been lifted but calls must still be booked in the other direction.

Mauroy in hospital

French premiere Pierre Mauroy, 56, is working from a hospital bed while under treatment for a respiratory infection.

Diana Dors ill

Actress Diana Dors, 52, is seriously ill after surgery. She has been treated for cancer since 1982. TV presenter Cliff Michelmore, 64, is under intensive rare after a suspected heart attack.

Duarte ahead

An opinion poll shows moderate Jose Napoleon Duarte holds a big lead over right-wing Roberto D'Aubuisson before presidential elections in San Salvador tomorrow.

Lotus wins £85m tax bill appeal

GROUP LOTUS, the specialist car producer, has won its appeal against £85m in protective tax assessments made by the Inland Revenue.

The assessments were imposed in January as the Revenue continued its efforts to trace nearly \$9m (£8.4m) still unaccounted for after the collapse of the De Lorean sports car venture.

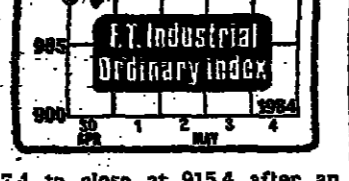
The money was intended to pay Lotus for developing the car but Lotus did not receive any of it. **Back Page**

DOLLAR recovered from early lows

with U.S. interest rates showing a further rise. It closed in London at DM 2.7205 against Thursday's DM 2.713. Sterling also attracted interest amid fears of a rise in UK base rates and closed at DM 3.8375 against Thursday's DM 3.8275. **Page 21**

EQUITIES eased on fears of a rise in base rates

The FT Industrial Ordinary average fell back



7.4 to close at 915.4 after an almost uninterrupted advance of 35.4 since Easter. **Page 22**

TRADING on the London International Financial Futures Exchange (LIFFE) reached new highs

mainly because of fears of higher interest rates. A total of 14,646 contracts changed hands against the previous record of 12,097 set in March.

PENSION funds are to be granted exemption from capital gains tax on profits made from investments in traded options.

Page 3

BRITISH Midland Airways' plans to operate a Glasgow to New York air service were dashed following the success of objections lodged by the British Airports Authority.

Page 3

SHARE prices of the Dorset Group of companies bidding for British Gas's 50 per cent stake in the Wyth Farm onshore oil field rose on speculation that Energy Department approval of the purchase was imminent.

Page 22

ALIED Corporation, U.S. energy, chemicals and industrial products group, said it was looking at possible acquisitions in the European chemicals market.

Page 19

TOOTAL, thread and textiles maker, increased annual pre-tax profits by £2.24m to £17.18m.

Page 18

JOHN MOWLEM, construction group, increased annual pre-tax profits by £1.6m to £10.1m.

Page 18

Financial Times will not be published on Bank Holiday Monday. The next issue will appear on Tuesday, May 8.

BT to spend £100m on computer project

BY GUY DE JONQUIERES

BRITISH TELECOM plans to spend more than £100m on computer equipment to automate its customer service operations over the next four years.

The project will be one of the most ambitious and complex computerisation exercises carried out in the UK. It is expected to improve sharply BT's efficiency in dealing with customers and to reduce staffing needs.

Procurement arrangements for the project have been politically highly sensitive. After a long internal debate, BT has decided to seek competitive bids for the 30 large computers it will need from two companies, Britain's ICL and International Business Machines of the U.S.

The decision marks an important advance for IBM which is developing increasingly close ties with BT. It also follows intensive lobbying of BT and Whitehall by ICL, which is worried about losing its position as BT's main computer supplier.

ICL is at a disadvantage because it will not have a computer powerful enough to meet

BT's needs until next year. Then it is due to launch its Estriel model, which is being developed with Fujitsu of Japan.

Though BT wants to complete the project by mid-1988, it has agreed to design it to work with either IBM or ICL computers. However, BT will carry out its

initial development work on an IBM 3081-series machine, one of the largest available.

ICL has not set a date for the Estriel's launch but it said yesterday that it was confident that the machine would be ready in time to capture a large share of the BT orders.

ICL also announced yesterday a separate £5.5m computer

order from BT. That brought its total sales to BT to date to more than £45m.

BT said yesterday that equipment orders would be placed progressively, and that the proportion going to each bidder would depend on its competitive performance. It also plans to buy peripheral equipment and many thousands of terminals, though decisions still have to be taken on numbers.

The project, which will also involve UK software company Logica and management consultants McKinsey, is intended to computerise more than 30 administrative functions. These include customer order handling, billing, repairs, stores management, accounting and budgeting.

The plan forms part of a reorganisation of BT's 61 business areas into 30 districts, each of which will be served by a local computer installation connected to networks of terminals on clerks' desks.

The computers will be linked

Continued on Back Page

Base rate rise pressure grows

BY PHILIP STEPHENS

PRESSURE FOR a rise in Britain's base lending rates to 9 per cent strengthened yesterday as money market interest rates again edged higher and government securities suffered further losses.

In early New York trading, short-term interest rates were also rising while bond prices moved sharply lower.

The Bank of England, however, held back from giving any clear signal on the direction of UK borrowing costs by leaving its dealing rates unchanged.

The clearing banks, whose base rates are now considerably below the key three-month interbank rate, indicated that they would wait until the release on Tuesday of April money supply figures before making any move.

The three month rate closed at 8 1/2 per cent yesterday after trading earlier at 8 1/4 per cent. Six-month interbank money closed at 9 1/4, up from 9 1/8, while gilts fell by about 1/2 point to bring losses over the week of up to 1 1/2 points.

Barclays, which uses a market-related formula to set its base rate, is expected to raise it to 9 per cent from 8 1/2 per cent if money market rates sustain their present levels next week.

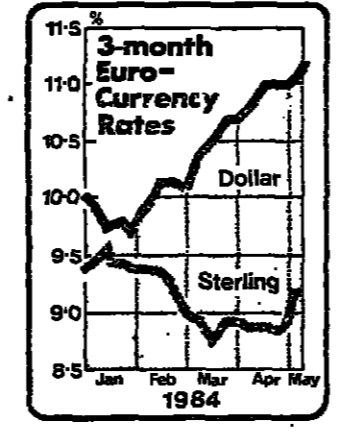
The other clearing banks, with base lending rates set at 8 1/2 per cent, will face even greater pressure for an increase because the rates at which they can borrow are now close to their lending rates of about 9 1/2 per cent to blue chip customers.

Much of the speculation about a base rate increase has been fuelled by concern that sterling M3, the broad money supply measure, is growing too fast, a fear compounded by the recent slow pace of gilts sales.

Pressure for higher rates has also come from rising lending costs in the U.S. and from sterling's weakness against the dollar, while the clearing banks have had their profit margins squeezed by tax changes in the March Budget.

However, if Tuesday's figures for the growth in sterling M3 during April turn out much below general expectations for a rise of about 1 per cent, upward pressure on UK rates could well ease.

The Government is anxious to discourage any rise in interest rates at a time when it is hoping for a broadening of



economic recovery into investment and exports.

There is also confidence among officials that present difficulties in holding down money supply growth through gilts sales will prove only temporary.

Nonetheless, the Bank of England does not appear to have discouraged market speculation of a base rate rise.

Paul Taylor writes from New York: In the already depressed U.S. credit markets, yesterday's sharp bond sales were attributed to continuing concern about next week's \$16.5bn Treasury refunding and some bearish comments from Dr Henry Kaufman, Salomon Brothers' chief economist.

Dr Kaufman, speaking in Fort Worth to Texas bankers, predicted interest rates could move "spectacularly higher" before the end of the current business cycle with some rates exceeding their previous cyclical peaks and the yield on the Treasury long bond climbing to 15.25 per cent by the start of next year.

At luncheon yesterday this yield topped 13 per cent. Dr Kaufman suggested that withdrawal of the Federal Reserve Board "will be forced to respond to the flaring of inflation and when key monetary and credit aggregates expand beyond tolerable limits."

Europe "reassured" over U.S. deficit, **Page 2**

Nigerians scramble on currency deadline, **Back Page**

Reuters scales down offering to £200m

BY RAY MAUGHAN

REUTERS, the international news agency and business information group, has scaled down its forthcoming stock market flotation to raise about £200m. It had been widely expected that the issue would raise about £300m.

Details of the planned offer, scheduled to take place at the end of this month, have not been fixed finally and it has still not been decided precisely how much of the share capital will be sold by its existing owners, mainly the newspaper groups.

Reuters has announced plans to spend £75m on satellite technology and it had been envisaged that the newspaper owners would dispose of about 25 per cent of their combined holdings. It was on that basis, that it was

generally expected the issue would raise more than £300m and that the agency would have a stock market value of £1bn.

The proposed issue has met sharp resistance from the institutional investor protection committees of the British Insurance Association and the National Association of Pension Funds (NAPF). Their members, counting for over half the equities traded on the London Stock Exchange, have been urged to boycott both the underwriting and subscription to the issue amid controversy over the structure of the share capital. Many leading funds seem likely to toe the committees' line.

This kind of resistance was encountered last autumn when the issue was broached. Meetings between the Reuters

board, S. G. Warburg, the agency's financial advisors, and institutional investors have failed to reach a compromise on the share capital structure which involves the shares being issued having limited voting powers.

Leading fund managers said yesterday that most NAPF members would boycott the underwriting, although they admitted that many funds may subscribe provided the issue is attractively priced.

It is not yet clear how the issue will be scaled down from earlier expectations, but fund managers believe the number of shares issued will be reduced and the launch price per share will be cut. The stock market had assumed an offer price of about 250p per share.

MARKETS

DOLLAR	
New York lunchtime	DM 2.7205
DM 2.7275	FFr 8.3675
SwFr 2.25375	Y226.925
London	DM 2.7205 (2.713)
FFr 8.3675 (8.3675)	SwFr 2.249 (2.248)
Y226.75 (226.6)	Trade weighted 129.6 (128.3)
Tokyo close Y228.05	
U.S. LUNCHTIME RATES	
Fed Funds 10%	
3-month Treasury Bill	8.85%
Long Bond: 91 1/2	yield n/a.
GOLD	
New York: Comex May latest	878
London: \$378.75 (\$378.25)	

STERLING	
New York lunchtime \$1.40375	
London: \$1.4095 (1.41)	
DM 3.5375 (3.5275)	
SwFr 3.17 (3.17)	
FFr 11.77 (11.74)	
Y230 (319.75)	
Trade weighted 80.5 (80.1)	
LONDON MONEY	
3-month interbank:	mid rate 9 1/2% (9 1/4)
3-month eligible bills:	buying rate 8 1/2% (8 1/2)
STOCK INDICES	
FT Ind Ord 915.4 (-7.4)	
FT-A All Share 534.13 (-0.5%)	
FT-SE 100 1,134.0 (-7.6)	
FT-A long gilt yield index:	High coupon 10.45
New York lunchtime:	DJ Ind Av 1,172.74 (-8.79)
Tokyo:	Nikkei Dow 11,190.17 (+84.71)

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S. African Premier to visit London

By Michael Holman in Johannesburg

MR P. W. BOTHA, the South African Prime Minister, is to meet Mrs Margaret Thatcher in London next month. It will be the first visit of a South African Premier to Britain since the late Dr Hendrik Verwoerd, the architect of apartheid, led the country out of the Commonwealth in 1961.

In the opposite direction, the last British Prime Minister to visit South Africa was Harold Macmillan (now Earl of Stockton) in 1960, when he delivered his warning of the "wind of change" sweeping through the Continent.

The announcement in Cape Town last night, which has drawn strong protests from Labour MPs, came as a major initiative to resolve the Namibian (South West Africa) dispute got underway.

Mr Botha will meet Mrs Thatcher at her invitation over a working lunch on June 2 as part of an overseas tour which includes talks with European leaders in Bonn, Bern and Lisbon. Mr Botha will be accompanied by Mr P. K. Botha, the South African Foreign Minister.

Officials in Whitehall said last night that Mrs Thatcher would stress Britain's continuing opposition to South Africa's apartheid policies, and concern at alleged South African destabilisation of neighbouring states.

The British invitation to Mr Botha had been made after it was known that he planned a European tour, but the timing was relevant because of the "significant developments" in both South Africa's internal and external relations, they said. They included the agreements with Mozambique, Angola and other neighbouring states, and the South African constitutional developments.

Last night the South African Ministry of Foreign Affairs said the third phase of the withdrawal from

Continued on Back Page

Rail chaos threatened in dispute over pay and productivity

BY PHILIP BASSETT, LABOUR CORRESPONDENT

A PROGRAMME of industrial action which threatens to disrupt rail services was announced yesterday by rail unions.

However, the action might be averted by British Rail moves to refer the whole issue of pay and productivity, which is behind the unions' plans, to the railways' arbitration tribunal chaired by Lord McCarthy.

At the heart of the dispute is British Rail's insistence that its current pay offer of 4 per cent will not be implemented, let alone raised, without a union agreement on productivity. The unions insist pay and productivity issues should be considered separately.

Even as the National Union of Railwaymen and Aslef, the train-drivers' union, were warning that action — which would start in about two weeks' time — was now almost certain, BR Board made the first move to refer the issue to the rail tribunal, the final stage in the industry's complex negotiating machinery, in a bid to avert it.

The industrial action programme has been unanimously endorsed by the two unions' executives. A joint sub-committee will meet on Tuesday to prepare detailed action plans for final approval by both executives next Thursday. Unless averted the action could occur within a week or 10 days of that.

The action decided includes a ban on overtime and restday working and withdrawal of all co-operation.

Mr Ray Buckton, Aslef general secretary, said the action would have a drastic effect. He said cancellations and delays would be inevitable in both passenger and freight services.

Banning working on restdays would halt all trains on Sundays, still counted by BR as a restday, in spite of introduction for some staff of Continental-style seven-day work-rotas. Monday services would be hit because no maintenance work would be done on Sunday.

An overtime ban would also have an effect. With a standard working-week of 39 hours the average hours worked by signalmen are 52, drivers 44.3, guards

47.7 and station staff up to 52.5. BR officials said those most likely to be hit by such action would be commuters in London and the South-east.

The proposed action stops well short of a strike. None the less when asked whether the position could deteriorate into a stoppage Mr Buckton said: "It could do, couldn't it?" That is the trouble—that is why BR would be wise to get round the table.

He accused BR of arrogance in its current handling of industrial relations.

If the action takes place it would be the first time since 1972 that the two unions, often bitterly at odds with each other, have mounted such a programme involving all railway manual workers.

Two of the long-outstanding productivity issues at the heart of the dispute are running passenger and freight trains without guards. These are at the next stage down in the negotiating system, ready to go to either side wants it.

The third issue, however, that is cuts in double-manning in locomotive cabs, is a further stage down. In a letter to the unions yesterday, however, Mr John Palette, BR's managing director of personnel, said BR would regard the unions' lack of response on the issue as a failure to agree.

The significance of this is that the issue now moves up to join the other two at the final stage of the procedure, ready to go to the tribunal.

Though it was not specifically stated in Mr Palette's letter, senior BR officials indicated yesterday that the move was designed to prepare for a reference of the whole issue to Lord McCarthy.

They accept there is a risk Lord McCarthy's tribunal might increase the 4 per cent pay offer but are hopeful previous decisions by the tribunal on the productivity issues might lead to firm guidance from the tribunal in BR's favour, which the unions would find hard to ignore.

Bitter lessons of 1982 strike, **Page 4**

Unions to halt Ravenscraig coal, **Back Page**

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Fidelity INTERNATIONAL

UK-French talks show signs of progress

By David Housego in Paris
MRS MARGARET THATCHER and President Francois Mitterrand made no major breakthrough yesterday on the issue of Britain's EEC budget contribution...

Britain denies Libyan arms claim

BY OUR FOREIGN STAFF

A CLAIM by the Libyan Government that five pistols and some ammunition were found in the recently vacated British embassy in Tripoli was categorically denied by the Foreign Office yesterday.

The Libyans say they found five pistols, 46 rounds of ammunition, 20 gas canisters and about 45 gas masks, according to the official Libyan news agency.

Mr Oliver Miles, rejecting the Libyan claim added yesterday: "You only have to look at the way the Libyan media operated. When they burned down the Jordanian Embassy, the Libyans reported that they had merely burned the Jordanian flag. In fact it was the whole embassy."

The Libyans claim the weapons were in a locked safe in the embassy's cypher room which had to be forced open.



Miles: we had no firearms.

Singapore snubs U.S. copyright piracy team

By Chris Sherwell in Singapore

A U.S. delegation seeking relief against counterfeiting and record piracy has left Singapore empty-handed after asking for assurances that the island state would frame and enforce an effective copyright protection law.

The outcome means pressure will increase for the U.S. Congress to pass legislation to deprive Singapore of trade benefits it receives under the Generalized Scheme of Preferences, which is due to be renewed at the beginning of 1985.

The U.S. delegation, comprising Washington government officials and representatives of the American recording, publishing, motion picture and computer software industries, had two lengthy sessions with Singapore officials and emerged "disappointed and frustrated" at what it saw as continued stonewalling over the issue.

The Singapore officials, who were accused at the meetings of tolerating "blatant piracy", are understood to have simply taken note of the points made and undertaken to pass them to the relevant authorities.

Singapore has three official committees looking at the issues of copyright, patents and trademarks, and computer software. But new legislation is said to be still two to three years away, and Singapore offered no commitment to any measures, or even on future policy.

Significantly, the possibility of a more hasty decision by Singapore on software alone was rejected by the U.S. delegation as inadequate. This is a blow for Singapore, which wants to establish itself as a computer manufacturing and software centre.

In a hard-hitting presentation during the U.S. delegation's discussions, Mr Stanley Gortikov, head of the Recording Industry Association of America, accused the Singapore Government of "not caring" and allowing the country's good qualities "to co-exist with blatant piracy".

Mr Gortikov, managing director of the International Monetary Fund, and Mr Bill Rhodes, a Citibank senior vice president who will talk on the lessons of the 1982-83 debt restructuring process and opportunities for improvement.

The second day will be devoted to "improving the regulatory and accounting frameworks for LDC finance", and will discuss possible policy initiatives.

Duarte tipped to win second round of El Salvador election

BY ROBERT GRAHAM, LATIN AMERICA EDITOR

SR JOSE NAPOLEON DUARTE, the moderate Christian Democrat candidate, is being favoured to win in the second round of El Salvador's presidential elections due to be held tomorrow. Ever since winning the first round on March 25 with 43 per cent of the vote, Sr Duarte has been the front runner.

According to the latest unofficial poll conducted by the Central American University, Sr Duarte will win 64 per cent of the vote, and his rival, the right-wing extremist Major Robert d'Aubuisson, 35 per cent.

Sr Duarte, deprived of the presidency in 1972 due to electoral fraud, has his main support from urban areas, in particular round the capital San Salvador. His campaign both in the first and the second round has focused on attacking Major d'Aubuisson. He has been cautious about offering any specific initiative to end the four-year-old civil war.

Sr Duarte's victory is being viewed with concern by the business community which distrusts his populist record. Sr Duarte was instrumental in introducing land reform break-

ing up the large estates and nationalisation of the banks in 1979. The business community has thrown its support behind Major d'Aubuisson, who they believe would roll back some of these measures and stop the success of the guerrillas.

Major d'Aubuisson's chances have been eroded by his failure to unite the right-wing and centre vote. Heading the extremist National Republican Alliance (Arena), Major d'Aubuisson won 29 per cent of the first round vote. This was close to the vote obtained by Arena in the 1982 national assembly elections. His failure to build up a bigger vote, despite a well financed and slickly organised campaign, suggested that his unsavoury reputation, linked to the right-wing death squads imposed a ceiling on his support.

Intense efforts were made to win the support of the conservative National Conciliation Party (PCN), but the latter this week refused to do so. The PCN candidate, Sr Jose Francisco Guerrero who won 19 per cent of the vote in the first round, declined to endorse Sr Duarte's victory, fearing that his party would become absorbed by Arena.

Panama military pledged to honour election result

BY DAVID GARDNER IN CHIRQUI, PANAMA

"WHO'S GOING to win on Sunday, Captain?" "We are... with Nicky," he replied enthusiastically, before switching back into officialese: "But of course the will of the people will be respected whatever the outcome."

The Panamanian military's espousal of Sr Nicolas Ardito Barletta, the former World Bank vice-president they chose to fight Dr Arnulfo Arias, the 84-year-old right-wing populist they forced from office for the third time in 1968, is quite unabashed.

We were waiting for the captain's boss, General Manuel Antonio Noriega, head of the 14,000 strong Defence Forces and the man who holds nearly all the reins of power in this strategic U.S.-backed Central American republic.

Another officer, in civilian clothes but wearing a hat in the colours of the ruling Revolutionary Democratic Party (PRD), saying "Nicky for President," explained: "What you see here is the fruit from

the seed sown by Torrijos." "Here," is the isolated Guaymi Indian hamlet of Soloy, a half an hour's helicopter flight from the Costa Rica frontier but more like two hours from the nearest serious road. General Omar Torrijos, the flamboyant caudillo whose personality dominated Panamanian politics for 13 years had the habit of dropping in on his "family" of indigenous people to whom, as Soloy's Guaymis readily attest, he tried to bring schools, doctors, houses, and above all hope.

Gen Torrijos's light aircraft crashed into a mountain three years ago when he was on his way to another Indian settlement.

Gen. Noriega, who has pushed or manoeuvred aside two presidents and two National Guard commanders in the three years since Torrijos died, as well as imposing his choice of Sr Barletta on the PRD, is adamant that whoever wins tomorrow's election will be allowed to take office.

U.S. jobless unchanged

U.S. UNEMPLOYMENT held steady at 7.3 per cent in April for the third month in a row, the Labour Department reported yesterday. Last month's strong gains in employment were offset by growth in the workforce and seasonal adjustment, leaving the overall rate unchanged, the department said. Regional Dale reports from Washington.

The White House said the figures "should imply a generally strong economic picture."

Sharon scrapes in

Former Defence Minister Mr Ariel Sharon's campaign to win back political power has been shaken by a poor showing in the ballot to pick Herut (Freedom) Party candidates for next July's Israeli general election, our Tel Aviv correspondent writes. Mr Sharon was one of 35 candidates selected by the Herut central committee, but came only ninth in the poll. He also failed to get more than one of his key backers on the list.

Italy cuts official rate

The Italian Treasury Ministry announced yesterday that it had reduced the country's official discount rate by 0.5 percentage points to 15.5 per cent, effective immediately. The Treasury also reduced its refinancing rate to 15.5 per cent from 16 per cent, AP reports from Rome.

Indian plea to Japan

INDIA yesterday asked Japan to support its request for early payment of a \$1bn loan it is seeking from the Asian Development Bank and to do more to increase the size of the World Bank's soft lending funds. John Elliott reports from New Delhi. Mr Indira Gandhi, the Indian Prime Minister, made the request during the first few hours of a two-day visit to Delhi by Mr Yasuhiro Nakasone, Japanese Prime Minister.

Ivory Coast success

Ivory Coast reached agreement yesterday with the Paris Club of official creditors on the rescheduling of all principal and 50 per cent of interest payments due in 1984, according to Finance Ministry officials. Peter Blackburn writes from Abidjan. The agreement follows approval by the IMF on May 3 of a \$92.5m one-year standby credit accompanied by a series of measures to promote economic recovery.

Europe 'reassured' over U.S. deficit

BY DAVID HOUSEGO IN PARIS

EUROPEAN governments have been reassured by an explicit statement of Reagan Administration efforts to cut the U.S. budget deficit. Mr Martin Feldstein, chairman of the U.S. President's Council of Economic Advisers said in Paris yesterday.

Mr Feldstein said legislation was now expected within two months to cut the deficit by \$150bn (£107bn) over the next three years. Without the cuts, the U.S. would be running a cumulative deficit over the period of \$700bn.

Mr Feldstein said the impact of the cuts would be greater than these figures suggested because they would build up

ket's greater confidence in the direction of U.S. policy over the deficit.

Mr Feldstein chaired the two-day meeting of officials from the 24-member group of industrialised nations which preceded the annual OECD ministerial meeting to be held in a fortnight's time.

In contrast to a year ago, Mr Feldstein said there was no pressure on the U.S. to play a leadership role in encouraging economic growth.

He saw the U.S. economy achieving a real increase in gross national product of 5 per cent this year, slowing down to 4 per cent next year and to 3-4 per cent after that. He said

U.S. relaxes proposals on Soviet bloc computer sales

BY CHRISTIAN TYLER, TRADE EDITOR

THE U.S. has tabled new proposals in Nato for controlling the sale of computers to the Soviet bloc, in the hope of breaking a negotiating deadlock with its Western allies and Japan.

It appears that the U.S. is no longer insisting that smaller personal computers, available in every Western high street, should be controlled by Nato's Paris-based watchdog committee for militarily useful exports.

Because of the secrecy surrounding committee's work, it is not clear precisely what the U.S. has offered in order to meet the allies' complaints that the U.S. has been unrealistic. But it seems the U.S. would accept de-control of 8-bit microcomputers while keeping tabs on the sale of the more sophisticated 16-bit machines. The U.S. may also be seeking to limit the numbers

UK banker chairs talks on world debt crisis

BY WILLIAM HALL IN NEW YORK

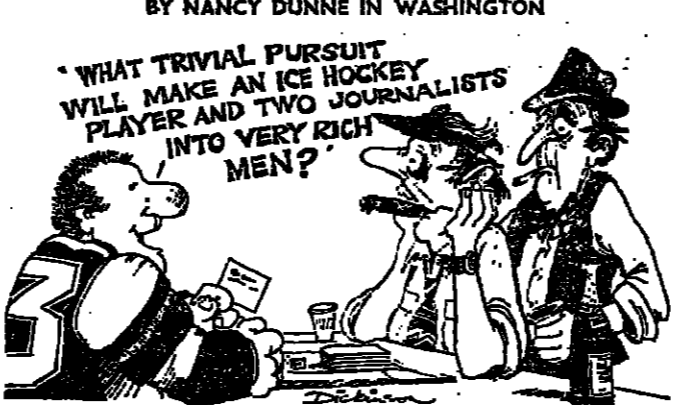
MR C. W. "KIT" McMAHON, deputy governor of the Bank of England, will head the final session of next week's three-day central bankers' conference in New York on longer term solutions to the two-year-old international debt crisis.

Mr McMahon, one of the key figures working to solve the international debt crisis, will host the final closed session of the conference which has been called to "explore concrete and practical steps that might be taken by lenders, borrowing countries, and official institutions to help re-establish LDC (less developed countries) finances on a sustainable basis."

The conference, which is called "LDC finance - managing the way back" is being hosted by the Federal Reserve Bank of New York and seeks to put the international debt crisis into a longer term perspective.

How trivia is taking the world of board games by storm

BY NANCY DUNNE IN WASHINGTON



Trivial pursuit has grown so popular that the distributors cannot keep up with demand. Harrods, which sells a week at £29.95 each has a waiting list. In the U.S. people drive to other towns and cities searching for copies.

national managing director, is also searching for new manufacturing facilities. He has hired more than 80 writers to create suitable questions for the foreign language version.

The games is to be introduced in France and the Netherlands in May and in West Germany soon afterwards.

Meanwhile, the three creators of the game—Mr Scott Abbott and brothers Chris and John Haney, have quit their jobs and are said by friends to have retired into seclusion to research and write more questions and to enjoy their newfound prosperity.

Described as "off-beat, funny and rather cynical," they invented the game in December 1979 after an unavailing search for a Scrabble board. Within a month they had established their own company, Horn Abbott, and persuaded friends to invest.

By the end of November 1981, Horn Abbott had completed a successful test run of 1,000 units in toy and book shops throughout Canada. As sales skyrocketed in Canada (with more than 100,000 units sold in the first year), word of the game's success reached Selchow and Richter, the oldest privately-

Presidential election run-off for Ecuador

By Sarita Kendall in Quito

EQUADOREANS will be choosing between two candidates on Sunday in the second round run-off of the presidential elections. After last January's first round, Sr Rodrigo Borja Cevallos of the Democratic Left had a small margin over Sr Leon Febres Cordero, leading the right-wing National Reconstruction Front. The winner will take over on August 10 from President Osvaldo Hurtado, who is constitutionally barred from re-election.

Most of the left of centre candidates eliminated in the first round have since announced their support for Sr Borja. But Sr Cordero has run an aggressive campaign and the election is expected to be close-fought. Sr Borja's party is the strongest force in Congress and he would have a comfortable majority with the backing of other parties in the election alliance.

The incoming president faces a tough time on the economic front and will have to begin talks with the IMF on debt refinancing immediately.

A new, narrower and more realistic trading range

BY DAVID DODWELL IN HONG KONG



Falklands war two years ago that ounce would cost him 24m pesos.

Arguing that gold's traditional strength was its role as an insurance policy against upheaval, Mr Sitt questioned whether it could any longer be seen in such terms after recent violent price fluctuations. His answer was a cautious "yes."

Noting that while the price of gold bullion has stuck around the \$380-an-ounce level, gold share prices have risen by 46 per cent.

Mr Sitt argued that gold has traditionally been a way of making money rather than a way of making money. "For countless people in many nations, it has always been the saviour—the lifebelt—in times of devaluation." He pointed out that an investor in Argentina "wise enough" to buy an ounce of gold in 1970 would have paid 105 pesos for it. After the

developed capital market, gold is considered increasingly as "an investment instrument among others."

Over the past three years, gold has "lost its attraction." Mr Carstensen said, noting that major political upheavals over the past three years, like the introduction of martial law in Poland, the Iran-Iraq war, and civil war in Lebanon, have had no significant impact on gold demand.

Mr Carstensen pointed out in contrast how news of the Soviet invasion of Afghanistan, and the overthrow of the Shah of Iran, had a dramatic impact on gold prices.

Arguing that there is nowadays hardly any link between gold prices and the quantity available on the market, Mr Carstensen said the most important single price factor was the dollar. "As soon as the market

considers the stability of currency to be in danger or deems any action in the field of monetary policy to be appropriate to maintain or restore the stability of the currency, the investor in gold is called for action."

"Gold should therefore be regarded as an investment similar to shares, bonds, time deposits or commodities," he said. "All these tools have their special characteristics and prove their relative dominance in different economic environments. At present, gold glitters in the first place as an elementary security for unforeseeable future events."

Mr Robert Rubin, executive vice-president of Drexel Burnham Lambert, the U.S. gold trading company, noted with some relief the disappearance of "noticeable hostility" towards U.S. gold traders that had been so conspicuous in

Comment on the "black hole effect" aroused the interest of Dr Kim Kim, who, as chairman of the board of Hong Kong's Commodity Exchange, talked on the prospects of the Colony's futures industry.

He spoke about plans to set up a new Hong Kong futures exchange, which might provide the impetus needed to raise gold futures trading from its present inconsequential level.

By providing an effective futures market, Dr Kim predicted that Hong Kong could play an important role as China seeks a "more adaptive and flexible response to demand" on the market place. Reassured about recent comments about Peking's commitment to the future stability and prosperity of Hong Kong, Dr Kim said: "Hong Kong must make full use of its geographical location, its free enterprise economy and its established position as a financial centre."

He also mentioned implications for the price of gold, and second, when a major amount of metal is being moved in the bullion market and is in part finding its way out to the exchange."

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ICL to create British and Irish subsidiary

BY GUY DE JONQUIERES

ICL, THE largest British-owned company manufacturer, plans to take its decentralisation programme a step further...

Lord Soames, who previously held several ministerial posts and served as an EEC commissioner and British ambassador to Paris, has been named non-executive chairman of ICL (UK)...

Sir John Boyd, former general secretary of the Amalgamated Union of Engineering Workers and a director of British Steel, has been named a non-executive director...

This is the first major reorganisation of the ICL group since Sir Michael Edwards became chairman last month. The company said it occurred "at a time when the development of a British strategy for information technology is becoming a matter of high priority."

The change was intended to give the British operation greater management autonomy and allow ICL's main board to concentrate on overseas activities.

ICL (UK) will be based in Putney, south west London, and take over all the UK division's operations. These include sales, marketing and customer support, but exclude development and production.

ICL's UK sales in the year to September 30 were £497.2m out of a total turnover of £845.6m. Almost half the company's British business was with central and local governments and nationalised industries.

The new company will employ more than 5,000 of ICL's staff of about 22,000. Mr Peter Bonfield, the ICL group's sales and marketing director will be its deputy chairman and Mr Alan Russell, the director of the British division, will be its managing director.

Sir Michael Edwards said: "I am particularly pleased that Lord Soames and Sir John Boyd have agreed to join the board. With the challenge facing Britain on securing and maintaining a prime role in information technology we intend to draw heavily on their broadly-based experience and skills."

Dun and Bradstreet sets up £25m European database

BY JASON CRISP

DUN AND BRADSTREET, the business information group, is investing £25m to computerise its services to customers in Europe. A computer database will be set up in Hillingdon, London, to serve all of Europe. By April next year it will have information on over 5m businesses in the UK, Belgium, France, Holland and Ireland available to customers in those countries.

This is one of the largest investments to be made in computer information systems in Europe, which is an area of rapid expected growth. There are many information systems in the U.S. already which attract a number of new entrants including International Business Machines with Merrill Lynch.

Dun and Bradstreet's European subscribers will be able to use an ordinary computer terminal to gain direct access to the database. This will allow subscribers to obtain instant credit information on a company. It will also be possible to get immediate replies to telephone enquiries from Dun and Bradstreet staff with their own terminals.

The service will be available in the UK this autumn and extended to the other European countries by early 1985. Later the service will be extended to West Germany, Italy, Spain, Switzerland and Portugal.

Dun and Bradstreet is installing computer equipment worth £2m including a large mainframe computer from IBM. This will eventually be connected to Dun and Bradstreet's computer installation at Berkeley Heights in New Jersey which has information on 5m North American companies. The company claims to have the largest computerised information retrieval system in the U.S. The new European system is based on the U.S. system.

The local Dun and Bradstreet subsidiary will be solely responsible for the information on companies in the London-based computer. This is to ensure it meets the data protection requirements of the individual countries.

Pym calls for debate on social policy alternatives

BY PETER RIDDELL, POLITICAL EDITOR

ALL OPTIONS for social policy should be debated fully and some radical alternatives tried as an experiment, possibly starting in Liverpool, Mr Francis Pym, Tory MP for Cambridge South-east said yesterday in his series of policy speeches. Addressing Liverpool University Conservative Association the former Foreign Secretary commented on recent public statements by Dr David Shephard, Bishop of Liverpool and Professor Patrick Minford, of Liverpool University.

He said the city provided a good place to combine the professor's cost-efficiency with the bishop's compassion.

He suggested, partly tongue-in-cheek, an experiment could be tried in Liverpool involving a moratorium on ideologies. Under it the city council would embrace free enterprise and the Government would embrace higher social spending, if only in one particular place and for a trial period.

He said: "If we can suspend our prejudices and conditioned reflexes for a moment, the idea is not so absurd. At some point an answer will need to be found to social finance and it is unlikely any one ideology will provide it."

BSC to raise prices

BY IAN RODGER

THE BRITISH Steel Corporation is raising prices on its flat-rolled products by up to £19 per tonne on July 1. This is the third round of increases this year following a deep slump last autumn.

The £19 increases are on all terrace-coated products—used in making automobile petrol tanks—and range up to 5.7 per cent, depending on the existing price

of the quantity and quality purchased. Prices on cold-reduced products and hot-dipped and electro-galvanised steels are to rise by £10 per tonne or up to 3.5 per cent, while those of hot-rolled coils will go up by £6 per tonne to £221.

These moves have been expected for some weeks because of the strengthening market for flat-rolled products.

Flights plan for Glasgow to New York crushed

By Lynton McLain

THE PLANS by British Midland Airways to start its first trans-Atlantic scheduled passenger services, between Glasgow and New York, were crushed yesterday. The service would have been the only British trans-Atlantic service from Scotland.

Mr Nicholas Ridley, the Transport Secretary, supported an appeal by the British Airports Authority against an earlier decision by the Civil Aviation Authority to license BMA on a new route from Glasgow to New York.

Mr Ridley also initiated a review of Scotland's lowland air transport needs. The BAA is opposed to trans-Atlantic services operating from any Scottish airport except Prestwick, on the Ayrshire coast, some 30 miles from the centre of Glasgow.

This airport lost £24m in 1982-83 and is used by only two scheduled airlines, Air Canada and North West Orient, a U.S. operator. Total passenger traffic at Prestwick for the year fell almost 30 per cent to 248,000 passengers.

BMA remained adamant last night that it was only interested in operating from Glasgow. The airline has refused to consider starting passenger services from Prestwick as it wants to make use of its feeder services from London to Glasgow.

"This decision by the Transport Secretary is Scotland's loss," BMA said.

Mr Ridley acknowledged that "no British carrier currently provides scheduled services from Scotland." He shared the CAA view that there was a "strong case" for granting BMA's application, but he still refused to reject the appeal by the CAA.

This was because Prestwick was Scotland's designated airport for intercontinental long haul services.

The CAA did not examine in detail the implications for airports policy in Scotland of licensing a Glasgow service.

"BMA's application raises 'important questions' about Scottish lowland airport policy, particularly in relation to Prestwick, the department said.

Traded option tax rules relaxed

By Charles Batchelor

PENSION funds will be free to invest in traded options without incurring tax on gains tax on any profits Mr John Moore, Financial Secretary to the Treasury told the Commons yesterday.

This move will make traded options more attractive for the £103bn pension fund industry and may in the long term provide an important boost to the option market.

Pension funds will be granted exemption from capital gains tax under an amendment to be made to the Finance Bill during the committee stage which starts on Tuesday. This is expected to take six or seven weeks and Royal Assent will probably be given at the end of July.

An option confers the right to buy or sell the underlying shares at a set price and within a fixed period of time. This allows investors to speculate on which way the share price will move or hedge their portfolios.

Options are at present available on 24 leading stocks accounting for about 30 per cent of the FT-Actuaries All Share Index in terms of market capitalisation.

This move will bring the traded options market into line with the London International Financial Futures Exchange, which was told last December that pension fund dealings would not incur a tax liability.

The Fisons Pension Fund, with £180m worth of assets, has been continuing a capital gains tax assessment of nearly £50,000 on options it sold between 1979-80 and 1982-83. It was not immediately clear if the proposed amendment to the Finance Bill would lead to the Inland Revenue dropping its assessments on previous years.

House prices 'show slower rate of increase'

BY MARGARET HUGHES

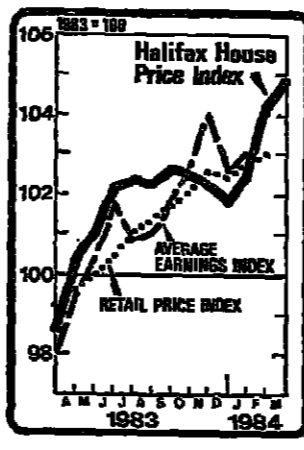
HOUSE PRICES are not increasing as fast this year as they did in the early months of last year, according to the Halifax, Britain's largest building society.

The Halifax house price index shows a rise of 3 per cent over the past three months against an increase of 3.9 per cent during the same months last year. On an annual basis the Halifax records a rise in house prices of 6.5 per cent since April 1982—only slightly higher than the rate of inflation.

This is lower than the rate of 7.3 per cent at which the Halifax says prices rose last year.

The rise in prices recorded by the Halifax is considerably lower than that recorded by most other building societies. So too is its forecast that house prices will increase by less than 10 per cent over the year as a whole.

Mr John Spalding, chief executive of the Halifax,



described the rise so far as "steady but gentle," adding that the Halifax "still believes that house price inflation in 1984 will stay in single figures."

This is not the view of Nationwide which is expecting an increase of between 10 and 15 per cent this year. It reported a 3.5 per cent rise in

prices during the first three months of this year, the biggest quarterly rise for four years, and representing an annual increase of 14 per cent. The Incorporated Society of Valuers and Auctioneers, meanwhile has recorded a 2.5 per cent rise during the first quarter representing an annual increase of 11 per cent.

The reason for such a variation in figures and forecasts is that each organisation uses different methods for calculating their indices.

The Halifax claims that its new index, which was introduced earlier this year, is the most reliable since new statistical procedures allow the index to make full allowance for the changing mix of mortgaged properties.

The Halifax index also shows different trends in the price changes of the average house. The average price of houses on which it extended mortgage funds in April actually dropped

to £30,128 against £30,440 a year ago.

This is attributed to a change in the mix of properties on which the Halifax is now lending and is probably due to the fact that more mortgages are going to first time buyers who tend to buy the cheaper properties.

The average cost of houses bought by first time buyers has risen slightly over the year to £22,724 from £21,588.

Halifax rejects the theory that mortgage lending is an important determinant of house price movements. It backs this argument by pointing out that when mortgage lending rose by 49 per cent between 1981 and 1982 prices increased by three per cent only.

Price movements, the Halifax says, are related much more to earnings. In the short term changes in real incomes and decisions by first time buyers to either bring forward or delay purchases are more important.

Company failures down in first quarter

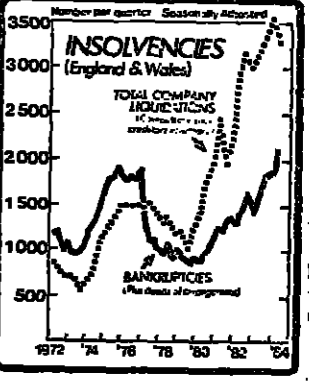
By Alexander Nicoll

BUSINESS failures in England and Wales declined in the first quarter of this year from peak levels in the second half of last year, but personal bankruptcies increased to a record.

The Department of Trade and Industry said yesterday that company liquidations fell 6.6 per cent in the first quarter to 3,607. Within the total, the number of companies compulsorily wound up by the courts fell sharply. Out-of-court agreements between companies and their creditors rose.

The figures confirm a trend reported earlier this week, that the insurance company Trade Indemnity, which said failures were 10 per cent below the level of a year ago in the first four months of this year and fell 8.6 per cent last month compared with the same month last year.

The department's statistics show insolvencies still running 6 per cent higher than a year



ago. However on a seasonal adjusted basis, failures fell 6.6 per cent in the first quarter from the final quarter of last year and 9.6 per cent from the record level of the third quarter.

The department provided a industry breakdown for the latest quarter's figures, but said that in the previous three months failures among construction companies increased while those among metals and engineering concerns decreased.

However, the recovery in the economy appears to have favoured companies more the individuals. The number of personal bankruptcies, which occur mainly among self-employed people who run small businesses, rose 12.9 per cent on a seasonally adjusted basis in the first quarter.

On an unadjusted basis bankruptcies rose 17.8 per cent from the final quarter of last year to a record 2,272.

Minister for fresh Lear Fan doubts

NORTHERN IRELAND's politicians are to meet Mr Aidan Butler, Minister of State Northern Ireland Office responsible for industry in the Province, next week to discuss fresh doubts raised about viability of the Lear Fan carbon-fibre aircraft company.

Questions about Lear Fan's chances of winning an "worthless certificate in U.S. before development funds are exhausted" were raised in a BBC television programme Sixty Minutes, report on Thursday.

A former executive of a company who worked on project in Ulster said on programme that he had chances of gaining the certificate at one in 10 only.

The company, backed more than £50m of British Government aid, plans employ up to 2,800 in Ulster.

Scottish Tory party director to retire

SIR GRAHAM MACMILL, director of the Scottish Conservative party, is to retire the end of August. He joined the party in 1947 and has been director since 1975.

Mr William Henderson, Conservative Central Office agent for the eastern area since 1971 and formerly party train officer will succeed him.

'Malaysians ousted Fraser' as Dunlop chief

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

SIR Campbell Fraser did not give up the chairmanship of the troubled Dunlop group voluntarily in November, it emerged yesterday.

He was ousted by the Malaysian interests which own 26 per cent of Dunlop the annual report revealed yesterday and he will receive £137,400 compensation.

Friction between Sir Campbell and the Malaysian Pegg Corporation dates back to 1980, just after it bought about 5 per cent of Dunlop and asked for boardroom representation. Sir Campbell opposed the idea.

Dunlop directors have three- or five-year contracts with the company and Sir Campbell's dates back to 1980. However, it was a coincidence that it came up for renewal at the time when the Malaysians were making their first foray into the shares.

When Pegg's shareholding reached its current level Sir Campbell's days as a director were numbered. The Malaysians were prepared to pay to see him go well before his contract ended.

Sir Campbell, 61, is an eco-

nomist by training and was a journalist for some years before joining Dunlop 25 years ago to head the public relations department.

He leaves at a time when Dunlop's fortunes are at a very low ebb. The group incurred a net loss of £80m last year and in September Dunlop announced it was to sell most of its European tyre business to Sumitomo of Japan.

Sir Campbell has been subjected to considerable criticism partly because during Dunlop's darkest hours he has had a high personal profile—speaking up for British industry in general as president of the Confederation of British Industry.

There were times when his CBI statements seemed to conflict with his actions at Dunlop. Shortly after accusing British workforces of being "bonkers about pay" it was revealed Sir Campbell apparently received a 21 per cent pay rise for 1982.

The explanation was that Sir Campbell drew £6,000 in 1981 from the so-called Dunlop-Pirelli union which was dissolved in 1982. So his real increase was only 6 per cent.

Last year his gross pay rose 4.3 per cent from £81,856 to £85,407.

With hindsight it may not have been a good idea for him to have taken the CBI job. But when it was first discussed by the Dunlop directors four years ago the group had managed to disengage itself from the disastrous Pirelli union.

Sir Campbell had ceased to be Dunlop's chief executive in 1979, having handed over to former top civil servant Mr Alan Lord.

Those who defend his record at Dunlop point out that the group took action earlier than any other company to cope with the vast overcapacity in tyre manufacturing which beset Europe at the end of the 1970s.

The pace of rationalisation was governed by the fact that it was a very expensive process and Dunlop's balance sheet had been substantially weakened by the Pirelli union.

Although Sir Campbell was one of the small minority of Dunlop directors which opposed the sale of the tyre businesses to Sumitomo he has been criticised for "selling out to the Japanese."

He will continue as unpaid president of Dunlop. His successor as chairman, Sir Maurice Hodgson, says in the annual report that Sir Campbell "presided over the company's affairs during a period of unprecedented difficulty when a severe world recession, high interest rates and an over-valued pound sterling combined to exacerbate the problems of a declining customer base in the UK."

"Major restructuring became imperative. He took a major step in this process with the dissolution of the Dunlop-Pirelli merger and saw in place the first stages of the divestment of the European tyre business."

When his term as CBI president ends later this month Sir Campbell intends to write a book about the ill-fated union with Pirelli which he managed to unscramble even though there was no formal escape clause.

He has said in the past that if the union had not been broken it would have been "death for Dunlop."

Sales of new cars continue at record levels

BY JOHN GRIFFITHS

NEW CAR sales in the UK are continuing at a record rate, despite the industry predictions of a downturn after the highest-ever 1.79m sales achieved in 1983. In the first four months of this year 660,824 cars were sold, a 2.9 per cent increase over the same period of last year.

For the second month in a row, Austin Rover's Metro led the list of the top 10 list of best sellers, a major factor in raising BL's market share in April to 31.37 per cent (18.75 in April last year) and allowing it to demote Vauxhall to third place in sales so far this year.

BL's higher market share was achieved without any substantial benefit from its Montego fleet model launched on April 25. Only about 2,000 Montegos showed up in the April registrations out of BL's total 34,554 sales.

Production of the Metro and Mini has been halted by a strike over manning at the Longbridge plant, with a threat to extend picketing to the nearest Austin Montego plant at Cowley next week.

However, the strike would have to be considerably prolonged to have a noticeable effect on Austin Rover's sales performance and would not start to show up until June.

This is because Austin Rover works on two to three months model stocks, and had a good production run-up to the launch of the Montego. About 6,000 were shownrooms on launch day with half as many again in the pipeline.

Society of Motor Manufacturers and Traders' statistics show Vauxhall with a 15.82 per cent market share in April, and 18.16 per cent in the first four months. BL's share at the four-month mark was 19.34 per cent.

Ford's performance, though down on target, was helped by its Orion model, which jumped from ninth to sixth place in the top 10.

But while Ford continues to reduce the imported content of its sales — to 40.65 per cent in April against 46.1 per cent last year — Vauxhall's continued to climb, reaching 58.1 per cent last month.

Overall, the importers' share, at 53.52 per cent, was the lowest for any month since last November and for any April since 1978. The importers took 58.43 per cent in April last year.

Table with columns for Year, April, and First four months, showing UK New Car Registrations for various models like Peugeot, Citroen, Volvo, Renault, Fiat/Lancia, etc.

Ford dealer incentive scheme reopens price war

BY JOHN GRIFFITHS

THE NEW-CAR price war broke out in earnest again yesterday. Ford launched an incentive campaign to dealers, officially ending the unilateral truce it declared on incentives eight months ago.

Under the campaign, dealers, for meeting specified targets, will be able to earn up to £350 extra on Sierras, Granadas and Capris and £250 on Fiestas.

Mr Sam Toy, Ford chairman, blamed continuing incentive campaigns by its main rivals,

Austin Rover and Vauxhall, for its move.

When Ford announced its withdrawal from dealer incentives the company said it would watch developments carefully.

Mr Toy said: "Now, after eight months, it is obvious our competitors are continuing with special and very substantial financial inducements, at least for the foreseeable future."

"It is still our view that the long-term interests of manufacturers, dealers and customers

alike would be better served by a market in which vehicles were sold principally on their merits, properly promoted and at clearly competitive prices."

The campaign will run until June 30. Recently Ford has also offered £150 extra on Sierras when a Cortina is taken in part exchange and a bonus of 1 per cent of the value of cars sold, also a predetermined sales target had been met.

Ford's incentives follow the

launch of campaigns by Austin Rover, allowing dealers to earn up to £250 on Metros and Maestros, and Vauxhall, which is offering an extra £125 across its model range.

Its launch coincides with publication of sales figures showing Ford with a 27.88 per cent market share in April and a 27.32 per cent for the first four months of the year. This is well down on its 30 per cent target.

"We are now concentrating in washers, presswork, high surface finish products, very tight tolerances, heavy presses and precision finishing machines."

Garton Engineering does not foresee any need for the British bolt industry to go through a rationalisation similar to the Lazards, Department of Industry rationalisation plan for foundries.

"The British bolt industry will soon have worked out its problems, by itself," Mr Garton said.

Nuts and bolts decisions confront the fastener industry

Lynton McLain looks at a bolt company's closure

A NAIL was hammered in the coffin of Britain's bolt-making industry this week when Benjamin Priest and Sons decided to stop making standard bolts and close its Cradley Heath works in the West Midlands.

The company's decision is the latest sign of the shake-out which has hit the traditional industrial fastener industry in recent years.

The industry's output of nuts, bolts, washers and rivets declined 37 per cent in the five years to 1982. This is three times the rate of decline of Britain's combined engineering industries, according to government figures.

At the same time, the importance of bolts as a proportion of total fastener sales in Britain is tapering off.

per cent of all British fastener sales: to £103.5m in 1982, 36.5 per cent of fastener sales.

The British fastener industry has suffered from an increase in cheap imports, excess capacity and changing fastener technologies such as robot welding and special adhesives.

The biggest threat has come from imports. Cheaper bolts from abroad accounted for a fifth of the British market five years ago. Today, they account for nearly a third of sales.

British bolts are 20 per cent more expensive than imports, according to Garton Engineering, an established bolt-maker which has cut its workforce from 820 a decade ago to 200.

of fasteners. Corporate membership of the British Industrial Fastener Association decreased by a quarter in the 10 years. Mergers and sales of companies in the industry contributed to the decline.

GKN once had a company, GKN Bolts and Nuts, specifically to make industrial fasteners. The company no longer exists and GKN had great difficulty this week finding anybody in the company who was once connected with bolt production. "We do not make bolts at all now," GKN said.

"These activities have been closed or sold-off over a period of years. GKN Fasteners is largely a distributor 'buying' supplies according to market trends," the

company said. Some of these fasteners come from overseas, but the company still makes some wood screws, rivets, and special nuts.

In last year's 1982-83 annual report for the Benjamin Priest group, his directors reported that "in spite of price competition and reduced demand from engineering and stockholding outlets, Benjamin Priest and Sons (the bolt making subsidiary) contained their operations with satisfactory results."

The group made a loss of £447,000 for the year on a £41m turnover. No mention was made of losses by the Benjamin Priest and Sons bolt-making operation last year or in the interim report for the half year to September 30 1983, but the

group announced this week that the bolt company traded at a loss in the full year 1983-84. This was attributed to "over capacity and intense competition in the fastener industry."

As a result, the company is to withdraw from standard black and carriage bolts, the manufacture of special fasteners and line pins is to be transferred to Warne Wright Engineering, another Benjamin Priest Group subsidiary.

Garton Engineering, with 40 per cent of its £10.7m turnover last year attributed to the manufacture of bolts, compared with 90 per cent a decade ago, forecasts that "further contraction and merging will of necessity continue within the bolt-making industry."

Many of the company's bolt-making units "still do not show a satisfactory return," the company said in March, after announcing a £286,000 pre-tax profit.

The company had tried to "reach an acceptable integration with certain manufacturers in the bolting industry," without success.

Mr Aubrey Garton, the chairman and managing director, says the main attack on the industry has come through cheap imports in volume products including mild steel bolts for the construction industry.

New ways of fastening industrial products have also hit sales of traditional bolts, but Garton Engineering is not "moving into the technology of glueing things together," Mr Garton said. Instead, the company has resorted to retreating, and has "concentrated" reduced our activities in bolts.

"We are now concentrating in washers, presswork, high surface finish products, very tight tolerances, heavy presses and precision finishing machines."

Garton Engineering does not foresee any need for the British bolt industry to go through a rationalisation similar to the Lazards, Department of Industry rationalisation plan for foundries.

Licensing Hours Bill to be introduced

THE Licensing Hours Amendment Bill, seeking to allow public-houses in England and Wales to open from 11 am 11 pm like those in Scotland, is to be introduced to the Commons on May 23 under the minute rule.

Its sponsor, Mr Robert Joffe MP for Hertfordshire, said yesterday: "SI Bill is a long overdue opening of public-houses in Scotland and is associated with drink

EEC bankers tour the North-east

THE HEADS of the European Investment Bank started a five-day fact-finding tour of North-East yesterday with a view to negotiating more EEC financial aid for the region, declaring a target area for their operations.

Trend to Labour in English cities is emphasised

Hazel Duffy reports that the Conservatives have been plunged into considerable gloom

THE LOCAL ELECTIONS failed to produce the clear message that all the parties hoped for, but they did emphasise certain trends — notably the shift to Labour in the English cities — and a strengthening of Labour's position in Scotland.

Labour's successes in Liverpool and Manchester, however, are not all joy for the party at a national level where the battle between militants and moderates has been shifted out of earshot, at least for the time being. The looming battle in Liverpool, where the militants have pledged their determination to vote for an illegal budget, could be almost as uncomfortable for the Labour Party as for Mr Patrick Jenkin, the Environment Secretary.

But the Labour victories in Birmingham and Edinburgh, and Southampton, have given the party plenty to crow about for the moment, and plunged the Conservatives into considerable gloom. The change in control in Birmingham and Edinburgh follows two very

the Conservatives of control. In Cheltenham, where the Conservatives had effective control thanks to support from the Independents, it was the Liberals who upset the boat. Likewise in St Albans, the Conservatives lost control after the Liberals won three seats and the SDP two from the Conservatives, as well as winning seats from Labour.

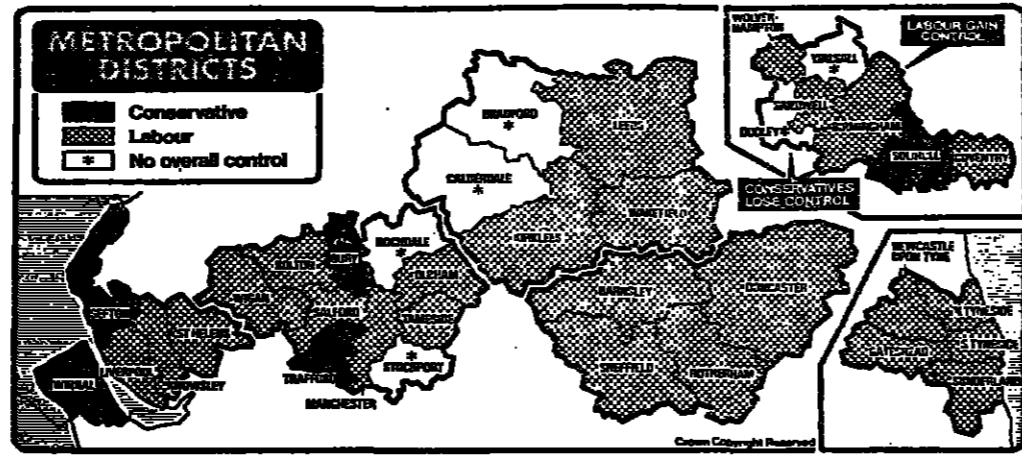
The strength of the Liberal Party machine at the local level has been increasingly evident in the elections of the last few years. In spite of the loss of control by the Liberals in Adur (Sussex), one of only two councils under Liberal leadership (replaced last week by North East Fife gained from the Conservatives) the total picture of the Liberal performance is good, the party gaining 165 seats against 50 lost.

The SDP figures were less encouraging — 41 gains against 13 losses — but they still add to the impression that the party is gaining strength at the local level. Furthermore, it is demonstrating that it is expanding from its South-east stronghold towards a party with a more national appeal.

In spite of Labour's coups in the big cities, the party's overall achievement was below that which it must have hoped for in the year after a general election. It was not as good as in 1980, similarly the year after a general election and the best year with which to compare the 1984 local elections. The reasons for some of the results being disappointing for Labour probably had something to do with national issues, such as the miners' strike, but it is difficult to explain its poor performance in these terms in some of the smaller urban areas, such as Great Grimsby, where, instead of taking control, it lost three seats — one each to the Conservatives, Liberals and SDP.

In marked contrast was the Labour win in Birmingham, where the Conservatives had gone all out to demonstrate the importance of behaving according to model Conservative local government rules. In return for rate cuts and full marks for efficiency, the voters turned round here and in Basildon — dubbed "Moscow down the Thames" by Mr Jenkin — to go against the Government's rate-capping measures, saying in effect that they want to preserve services even at a cost.

The result was a major blow for the Conservatives, even when it is remembered that their success two years ago was very much in the wake of the



Falklands crisis. Furthermore, the overturn of the Conservatives, who lost eight seats in Birmingham, was emphatic. Labour now has 61 seats, the Conservatives 52, and the Alliance four.

Speculation on the way in which the ruling Labour group will choose to utilise its prize is already afoot. The Labour group leader, Mr Dick Knowles, 66, and very much in the moderates' vein, said: "We shall do our best to soften the blows that the Conservatives have been hammering the working class in Birmingham with over the past two years."

In Manchester, the major development is that elections have put 41 left-wing councillors alongside 38 right-wing councillors. The Conservatives lost eight seats, seven of them to Labour, emphasising the erosion of the Conservative vote in the major cities of the North-west.

Unlike Liverpool, the rate and the budget in Manchester (and in Birmingham) has already been set for the current year, so the new council will have its hands completely tied until next March. The concern which the Government must be feeling, however, centres on the midland — almost certain in Liverpool and possible in Manchester — in two cities which are in the hearts of two of the metropolitan county councils that the Government is pledged to abolish along with the Greater London Council.

Mr Ken Livingstone, GLC leader, in the midst of a vigorous campaign to save the GLC, said yesterday: "If last

THE COUNCILS THAT CHANGED HANDS

To Labour from None: Inverclyde, Edinburgh, Dumbarton
To Labour from Conservative: Birmingham, Southampton

To Liberal from Conservative: NE Fife
To SNP from None: Angus
To Conservative from Labour: Kyle and Carrick, Hyndburn

To None from Conservative: Cheltenham, Eastleigh, Eastbourne, Dudley, Exeter, West Oxfordshire, Stockport, St. Albans, Gloucester, Perth and Kinross, Rugby, Stroud
To None from Independents: Furbeck, Roxburgh, Clydesdale
To None from Liberals: Adur

night's local election results were repeated in London. Labour would be returned to the GLC with a massive majority. As the legislation to abolish the elections next year in the GLC and metropolitan counties will be entering its committee stage shortly, Mr Livingstone is not likely to have the opportunity of proving his claim.

Labour's success in the inner cities in the local elections,

although not in the rest of the country, was in marked contrast with the outcome of the parliamentary by-elections on the same day, from which Labour could draw little encouragement. For once, local issues appeared to predominate in the big cities. The majority of voters, at least 60 per cent, however, followed the customary tradition of not bothering to vote at all in local elections.

Reply soon on NHS report

THE GOVERNMENT will announce its final response to the Griffiths report into the management of the National Health Service, before the end of the month, Mr Norman Fowler, Secretary for Social Services, said yesterday.

Mr Fowler told the Commons he delayed a full response to the report to take account of

the views of professional groups in the health service. Health authorities will receive guidelines on implementing the report in the next few weeks.

Mr Fowler said he was still strongly inclined to support the main thrust of the report, which called for a clearly defined general management tier in the health service, including a supervisory board.

Labour strengthens hold in Scotland

By Mark Meredith, Scottish Correspondent

BY TAKING control of Edinburgh District Council from the Conservatives in Thursday's district council elections, the Labour Party strengthened its already formidable hold on Scottish politics.

All 53 district councils were polled. Labour also took control of Inverclyde District, the shipbuilding community around the Scott Lithgow works west of Glasgow, from the Liberals.

In Edinburgh Labour emerged with 34 of the 62 seats on the council, gaining nine seats. The Conservatives took 22, losing eight. The Alliance gained two to hold four seats and the Scottish National Party kept two members on the council.

Labour now controls Scotland's major cities apart from Glasgow. It strengthened its hold on Glasgow District Council and retained Dundee and Aberdeen.

The Labour win is likely to renew party confidence in taking on Mr George Younger, Secretary of State for Scotland, over his attempts to reduce local government spending.

Central government has greater powers in Scotland than in England and Wales over regional and district council spending but some Labour councils have been ready to defy the Scottish Office rather than reduce rates.

Labour recently took a record 58 per cent in an opinion poll north of the border. It has increased its district council seats from 494 after the 1980 elections to more than 540.

The Conservatives' only consolation was taking control of Kyle and Carrick District at Ayr from Labour.

Elsewhere the Alliance took control of North East Fife from the Conservatives.

In Edinburgh Mr Alex Wood, the Labour leader and a former member of Militant, has the largest political majority on the district council in a decade. It was the first time the party had won outright control of the council.



Clockwise from top left: Margaret Thatcher, Neil Kinnock, David Owen, David Steel. There was no clear message for any one party, but the cities shifted to Labour while the Alliance made gains in the south.

Budget debate draws all eyes towards Liverpool

IN THE next two weeks, all eyes will be turned on Liverpool, where Labour now has a majority of 17 after gaining seven seats — six from the Liberals and one from the Conservatives. The Liberals also won four seats from the Conservatives. Theoretically, at least, this gives the militants the chance to vote in the illegal budget, even if the five identified "rebels" are joined by one or two more, as the speculation was giving rise to yesterday.



Mr Patrick Jenkin

Mr Jenkin, the Environment Secretary, said on Thursday night about the forthcoming vote on the budget: "The responsibility is theirs and we shall not absolve them from their responsibility."

Labour leader Mr John Hamilton said yesterday of Mr Jenkin: "The people of Liverpool have given him a clear message. The only thing that will stop us now from voting through this budget is if he is prepared to come up with an acceptable alternative. We don't want to see any loss of jobs or services and we are keeping to a minimum rate in

crease." Labour militants' claim that the people of Liverpool had voted overwhelmingly for their policies will not be upheld until the share of the vote can be analysed — local politicians are notorious for giving the impression, when it suits them, that they have a mandate from the electorate when in fact their party may be in a minority.

Birmingham has earned itself the title of the pendulum city

different political pasts — Birmingham has changed hands five times since the re-organisation of local government, earning itself the title of the pendulum city.

Edinburgh, on the other hand, has been Conservative for all of that period. Its capture by Labour was viewed as a distant prize, making the outcome all the more sweet.

Conservative gains from Labour at Kyle and Carrick in Scotland, and Hyndburn in Lancashire, did little to heal the wounds inflicted by Birmingham and Edinburgh, and Southampton where Labour had hardly dared hope for an overall majority.

Southampton, however, was an exception to the generally poor reception accorded Labour in the south of England. Although the Conservatives lost control of several southern councils, it was not to Labour. In Eastbourne, for instance, where the Conservatives would have been assumed pre-eminent, it was the Alliance which toppled them from control, the Liberals gaining two seats from Conservative and the SDP one seat. Three Conservative defeats in Eastleigh, another south coast town, also robbed

UK NEWS—LABOUR

Row on no-strike deals breaks out at Welsh TUC

By Robin Reeves, Welsh Correspondent

A ROW over no-strike deals negotiated with high technology companies, such as Immos by the Electrical and Plumbing Trades Union flared up at the Wales TUC's annual conference in Llandudno yesterday.

Mr George Wright, the Transport and General Workers Union's Welsh secretary and a leading candidate in the election to succeed Mr Moss Evans, the union's leader, called the TPTU deals "a substitute for Fabianism."

"A no-strike agreement is fundamentally at odds with the most essential principle of trade unionism. Unless workers are free to withdraw their labour in times of dispute, they are powerless, little more than slaves of the system," he declared.

He accused the EPTU of a mad scramble for recognition at any price "with no-strike agreements as part of the bait." It is tantamount to selling workers' rights before they are even employed," Mr Wright said.

Mr Rodney Bickerstaffe, general secretary of the National Union of Public Employees, also weighed in with an attack. It

was dangerous for the whole trade union movement, opening the way for the Government to impose no-strike agreements in public services, he said.

Left-wing unions are stepping up their public opposition to no-strike deals. They are alarmed at the growth of such agreements.

Mr Wyn Bevan, the EPTU's regional officer, accused other unions of interfering in the democratic decisions of the members of his own union. "Get off our backs. We will look after our membership," he said.

He said that his union's agreement with Immos provided not only good wages and conditions but for a workers' say in the running of the company and arbitration and conciliation procedures.

If the agreement was so bad, why had he received no complaints about from the workers affected, he asked?

In any case there was nothing in the agreement to prevent workers walking out of the gate if they felt their position was intolerable.

The EPTU has similar agreements with Toshiba in Plymouth, Sanyo in Lowestoft.

Birmingham school-meals staff gain in council switch

By David Brindle, Labour Staff

THE JOBS and pay of 5,000 school-meals workers in Birmingham have been secured by a change in control of the city council in Thursday's local elections.

Labour, which regained control from the Tories, had said it would maintain employment levels according to the national agreement for school-meals staff and would not continue with the council's former plans to dismiss the workers and to offer employment on inferior terms.

Mr Jerry Bartlett, National Union of Public Employees Area Recorder, said yesterday: "While we will still want to make savings in the school-meals service, Labour won't be making any savings in our members' conditions of service."

Labour will be budgeted to spend £1.25m from the school-meals service, a figure set by the Tories. Had the Tories been returned to power they would have gone on, to again try to revise the 5,000 workers' employment terms.

A previous attempt to do so foundered in the High Court last month when Mr Justice Mann supported Nuppe's claim that correct procedure had not been followed. The issue then became central to Labour's campaign for Thursday's elections.

The executive of the National Association of Schoolmasters' Union of Women Teachers yesterday agreed plans to escalate disruptive action by its 120,000 members in protest at the 4.5 per cent pay offer.

Philip Bassett traces the events leading to a breakdown in negotiations between BR and the railmen

Bitter lessons of 1982 rail strike overshadow dispute threat

OVERSHADOWED FIRST by the Government Communication's Headquarters dispute, and then by the miners' strikes, this year's pay negotiations at British Rail have been quietly going bad — culminating in yesterday's announcement by the rail unions of a programme of industrial action.

The unspecified timetable of the rail unions' action, and BR's intention to take the issue to arbitration, may make the spectre of action on the railways — just when BR has managed to turn round from £175m losses to an £8m profit — seem further away than the headlines indicate.

However, that does not reduce the difficulties facing BR and its unions. After the bruising battles of 1982 — the main element in BR's huge losses for that year — both sides were reluctant to take each other on again immediately.

Two things have changed that, and brought conflict closer. The first is the more hawkish approach of BR under Mr Bob Reid, its new, hard-line chairman. The second is the rail unions' anger at the haemorrhage of jobs, either arising from privatisation, as in the current Sealink dispute, or as in this week's announcement of a cut of 4,000 jobs in BR

Engineering. Mr Reid's approach with the unions has taken the form of a fresh determination to nail finally the long-standing question of productivity improvements — stretching back to the 1982 strikes, and a good deal further.

For years, BR has used the carrot-and-stick approach for each year's pay negotiations to coax the unions a little further towards its views of more efficient working. Each year, BR's lost its nerve — apart from in 1982, but then at what cost?

At present, BR is insisting that pay cannot be divorced from productivity, as a confidential BR document to the unions tabled on April 27 makes clear: "The availability of the board's pay offer is dependent on completion of agreements and clearance for implementation of the following changes in working practice."

The changes then listed by BR are three: ● Driver only operation (DOO) of freight trains. Since the 1982 strikes, BR has introduced two experiments without guards, for which drivers are paid an extra £8.85 per turn. Displaced guards are not made redundant, but offered other work within reasonable distance of their home stations.

Militant NUR branches are seeking pay increases of up to 2.5 a week, according to the preliminary agenda for the union's annual conference in Llandudno in June.

Some branches are seeking unspecified but still substan-

BR is trying to make these permanent. More significantly, it is seeking union agreement to a more general application of the idea.

The document says: "Further schemes for implementation would be subject to sectional council consultation." The unions are objecting to this. They argue that it is pushing things down to local level, away from the control of union headquarters, and that offering consultation is considerably different from seeking agreement.

● DOO of passenger trains. BR is seeking union agreement on this principle, with the same extra payment for drivers, following its implementation on the Bedford-St Pancras line. BR wants DOO extended next year to inner and outer suburban services running on the old Great Northern lines from Kings Cross in London, and to services in the Strathclyde

region. Further extensions will again be subject to consultation. Displaced guards would be temporarily redeployed on the NUR's long-standing idea of revenue collection and "customer care" duties, and longer-term staffing arrangements would be determined after a joint analysis on the first four months of each scheme's operation.

● Single-manning of locomotives. This — doing away with the second driver in the cab — is the most far-reaching proposal for Aslef, the train drivers' union, while the others will more directly affect the NUR.

BR has tabled detailed proposals on which services should be single-manned. This includes one driver only on high speed trains running at more than 100 mph, and the board is offering a payment of £1.50 to all drivers per turn worked in return for agreement.

Again, staff will be resettled. BR's document states: "There will be no compulsory dismissals arising from the application of this agreement, nor will staff be compelled or expected to move to other depots which are not within a reasonable travelling distance of their place of residence."

In addition to these three items, the board is seeking some grade restructuring, and progress on the cross-union trainmen's concept.

The unions argue that BR has introduced productivity elements beyond the award by Lord MacGarry which settled the 1982 dispute over flexible rostering — including a renewed effort to reduce rail staff's "physical needs" breaks away from their trains.

BR has firmly linked these proposals to the current pay offer, which would increase rates of pay by 4 per cent, and raise minimum earnings to £88.25.

Negotiations last week saw BR offer low-paid staff an extra £1 a week on basic rates, though this would not mean an increase in money because of the industry's minimum earnings system. Just in the base line for calculations of shift and sick pay. BR has also offered an additional day's leave at Christmas.

In a letter to the unions yesterday, BR criticised their "unwillingness" to negotiate on these items, but Mr Jimmy Knapp, NUR general secretary, angrily denied this, saying: "It was railway workers' improvements in productivity which made possible BR's small profit last year."

Certainly, since the 1980 pay round when BR started its most recent policy of linking pay and productivity, railway manpower has fallen by 22,636, or more than 12 per cent, according to BR's recently-published annual report. Its corporate plan seeks further reductions of up to about 14,000 jobs.

The unions want pay and productivity to be treated separately, and last week they tabled counter-proposals, suggesting that negotiations take place on pay alone, and then changes in working practices be taken through the railways negotiating machinery.

BR formally refused this yesterday. So the stage is set for a confrontation which even on present plans for limited action could seriously disrupt rail services. However the bitter lessons for all sides of the 1982 strikes mean that in the breathing space given by the unions, everyone will be striving to avoid it.

'Notts coal production falling'

By David Goodhart, Labour Staff

MINERS IN Nottinghamshire, the main area continuing to work, are producing far less coal than the National Coal Board is claiming, according to delegates at the British Association of Colliery Management's annual conference.

All 14 pits in north Nottinghamshire and 11 in south Nottinghamshire are working but association members say they are producing less than two-thirds of normal output and production is still falling.

The NCB says that output is "over 80 per cent" of the average figure before the overtime ban started at the end of last year. Weekly output before the ban in north Notts was about 255,000 tonnes and 170,000 tonnes in south Notts.

However, association members say the figure for north Notts is now down to less than 150,000 tonnes and declining. There has been a particularly steep fall in the last two weeks since the dispute was made

"official." They also say that nearly all the pits in north Notts are now working two shifts rather than the usual three.

The association represents colliery managers up to the highest grade and their members had its evidence to know what is happening.

But the NCB says that night shifts have been withdrawn temporarily because working miners fear attacks on their homes, especially near the Nottinghamshire border.

About 30,000 miners work in the Notts area and the National Union of Mineworkers has maintained for some time that 10,000 are on strike. That figure is clearly an exaggeration but the evidence from association members indicates that many more miners in Nottinghamshire, particularly the key face workers, are taking action than the NCB has admitted.

to continue providing emergency cover for pits during the strike. A large minority, however, were in favour of withdrawing such cover in order to bring pressure on the NCB.

The NCB area has been taking a hard line from the start and has not asked association members to provide cover. Lack of cover clearly increases the likelihood of pits having to close through flooding or geological problems.

The better organised picketing in evidence since the NUM headquarters took control of the dispute two weeks ago has had its most visible effect so far in Lancashire this week.

At the start of the week, only two of the area's eight pits were on strike. But after concentrated heavy picketing on separate days at Bickershaw, Parkside and Goldborne, with an average of 1,000 pickets at each pit, production has slumped.

Shipping unions meet Treasury

By Our Labour Staff

SHIPPING UNIONS believe there is a chance the Government may reconsider its refusal to exempt seafarers from its Budget decision to cut tax relief on overseas earnings.

If the unions' pleas fail, foreign-going ratings and officers stand to lose £10-£15 a week on average. Talks started yesterday between Treasury officials and union representatives to establish the facts and figures at issue.

The tax change is scheduled to be phased in over two years. According to the General Council of British Shipping, the employers' body, it would mean the loss of £10 a week for a foreign-going seaman on average earnings of £150 a week, £15 for an officer on £12,200 a year, and up to £35-£40 a week for some senior masters.

Health authority in legal moves against pickets

By David Brindle, Labour Staff

HEALTH AUTHORITY officials have begun legal proceedings to remove pickets from the grounds of a London hospital which is the scene of a test-case dispute over contract cleaners.

The action against 51 named individuals and "other persons unknown" who have allegedly been taking part in the round-the-clock picket at Barking Hospital will be heard in the High Court on May 17.

If successful, the move by Redbridge Health Authority — in the name of the Secretary of State — will clear the pickets and their three shelters from hospital property.

The health authority is not a party to the dispute at Barking. However those making up the hard core of the picket are demonstrating at their last place of work. They were employed by Crothall, a contractor, to clean the hospital.

About 85 of the cleaners went on strike on March 19 in pro-

test at plans by Crothall to cut their working hours after the company reduced the price of its contract by 40 per cent to keep the work.

The strikers were dismissed and Crothall recruited other labour to do their jobs. Picketing has resulted in hospital supplies being affected and led to a health authority decision to employ security guards to curb alleged vandalism and intimidation.

The authority said yesterday that Crothall was succeeding in getting a regular workforce into the hospital. Cleaning standards had risen, but the company was still not being paid the full contract price.

The National Union of Public Employees, which represents the former Crothall employees, views the dispute as a major test of the rights of contractors' staff employed on privatised services.

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THE WEEK IN THE MARKETS

Anxiety over interest rates

While equities started off the new account in reasonably good spirits, thanks to a steady stream of buyout company results and some quite startling dividend increases, the gilt-edged market has been struck with sudden anxiety over the trend in short-term interest rates.

The trigger point for this latest bout of nerves was the rise in U.S. interest rates at the beginning of the week and the weakness of sterling against the dollar. The pound may have recouped some lost ground but fears in the gilt market have developed a momentum of their own and the signals coming out of the money market are hardly encouraging with sterling interest bank a good half point over base rates.

The large tap launched by the Government did little to help. When it was priced the offer of £1bn of 9 per cent Treasury 1989 convertible at a minimum tender price of 95.5 looked reasonably attractive. But by the time Wednesday came round, the market had shipped sufficiently for the offer to get a poor reception. The Bank probably found buyers for no more than £200m to £300m of stock.

Now there is a hefty amount of stock overhanging the market and the bears can be heard muttering about the need for the Government to cut his price if he wants to deal. And Tuesday's money supply figures for April are expected to be poor which could trip a round of base rate increases.

specialist chains. Most of the new account in reasonably good spirits, particularly among the clothing groups, have latched on to the need for a change of style with varying degrees of success. Burton was one of the first to shake off its dowdy image and this week its menswear is contemporary. J. Hepworth was able to give further evidence of the success of its rapidly expanding ladies fashion chain, Next. Now the team that developed Next is preparing to work its spell on Hepworth's diminishing menswear business.

That specialist challenge may not be quite the hurdle for M & S that it appears for the likes of Woolworth, Littlewoods and perhaps even BHS. M & S has always avoided the department store tag because of its commitment to clothes. Yet because of its sheer size — it has around 15 per cent of the clothing market — it is almost impossible for the group to compete seriously in the fashion goods which really do the speciality. It may do its utmost to keep up with the times, and there has been increasing evidence of that of late (remember F. Miller), but the bulk of its wares are commodity items.

So there is a limit to how fast and how far M & S can move. Changes are obviously happening — hence the launch of a credit card and talk of out of town stores, but that is unlikely to have much immediate impact on profits growth which would be hard pressed to climb much above 15 per cent this year. And that growth rate does not quite gel with the shares' premium rating.

Pricing Martin

One sector of the retail spectrum which has been living with anything but a premium rating is the confectionery, tobacco and newsagent trade. CTN for short. And fairly so, for the three principal lines of stock are hardly glittering growth areas.

So when Martin the Newsagent's price started to run like a hare speculation followed as quickly as a greyhound. Within days W. H. Smith declared its hand with an equity bid worth £24.4m, or about 280p a share. Not surprisingly the Stock Exchange is taking more than a casual interest in the dealings in Martin.

But whether Smith's boat was leaky or not the more im-

LONDON ONLOOKER

mediate conundrum is why Smith wants Martin in the first place. Smith, like Menzies, which incidentally reported a 26 per cent improvement in profits to £13.2m this week, has been shifting away from traditional CTN to major High Street outlets with a much wider product range. Indeed Smith has recently been experimenting with small outlets again and was thought to have abandoned the idea.

Strategically Smith's bid makes little sense. Perhaps 100 or so of Martin's outlets could easily be converted into typical Smith stores, but that leaves getting on for 400 which do not obviously fit. If Smith is going to create a parallel chain of small CTNs (perhaps under a different name) it flies in the face of recent efforts.

Of course the bid could be purely opportunistic. Martin's price was pretty bombed out (leastways it was a month ago) reflecting the group's indifferent profits record. Whatever, Smith seems willing to acquire a company on a considerably higher earnings multiple (adapting similar tax rates) and initial earnings and asset dilution seems inevitable.

That is assuming that Smith wins the day. Martin's has made it plain that the larger group's overtures are far from welcome. The Office of Fair Trading is the wild card and it is not beyond the realms of possibility that someone else will launch a counter bid.

Saatchi & Saatchi

After the half time figures from Saatchi & Saatchi the market is busy revising its full year estimates, adding another £1m or so to earlier predictions of £12.5m pre-tax. In keeping with the agency's rapid rise to fame, interim profits increased from £4.83m to £7.48m in the six months to March before crediting an exceptional £1.7m thanks to a Guernsey roll-up fund.

In the UK Saatchi has clearly outpaced the industry average of an 18 per cent rise in billings and profits are up from around £3.5m to £4.2m to nearly £5m. Margins are unchanged at 3 per cent. But the real growth area is its increasing exposure to the

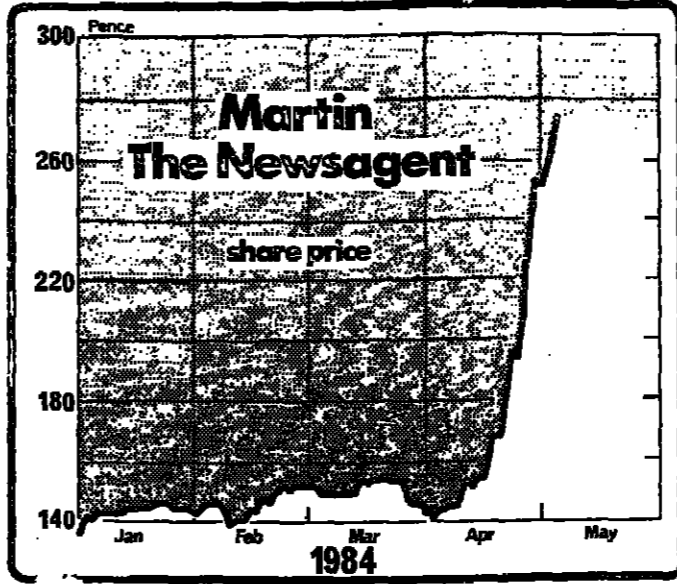
States. U.S. profits climbed from under £1m to £4m in the half year. An initial £0.8m (net of financing costs) from McCaffrey & McCall plays a part in the increase though analysts importantly Saatchi's efforts to jock up the profit margins of Compton Communications are bearing fruit.

Meantime the current trend towards "global" advertising by multinationals is ideal for Saatchi which already straddles both sides of the Atlantic. Equally important for the future is the group's acquisition policy. Organic growth has been complemented by an aggressive buying programme and with £40m of cash in its balance sheet Saatchi is keen to expand its empire. With worldwide no more than 1 per cent of the world advertising market under its belt there is plenty to go for, though its statement this week hints of acquisitions beyond its traditional sphere.

Building sector

There was no let up in activity from the building and construction sector with the market digesting another string of results and a couple of deals in the materials division which left share prices bubbling as perhaps £23m to £30m pre-tax for the year.

On Thursday both Tarmac and English China Clays dealt to extend their building materials interests, spending



RMC figures a couple of weeks back. At £88.6m pre-tax against £68.7m, the group has set itself a record though it is unlikely to last beyond 12 months. The optimists are already talking of £110m for 1984.

John Laing's 1983 figures showed staggering recovery over the previous year's £1.35m. With £23.8m at the profits line the progress more than justifies the recent share price rerating — it has outperformed the contracting sector by around 50 per cent since the beginning of the year — and the outlook suggests perhaps £23m to £30m pre-tax for the year.

Breaking through

FOR THE first three days of this week, Wall Street continued to build on the slightly firmer base established in the previous fortnight.

The rally ran out of steam on Thursday, when the Dow Jones Industrial Average fell back by 5.03 points to 1,181.53. But the index has at least recovered by now to a point where an advance on the 1200 level is not entirely out of the question.

One factor which has attracted the optimists is the breadth of trading over the last few days. Tuesday's dealing volume, of 110m, is the first time the number of shares traded on the New York Stock Exchange has been through the 100m level since April 13, and the highest figure since March 16.

Institutional investors, who have largely been standing on the sidelines since February, are beginning to come back into the stock market — and brokers are now waiting for the same process to begin for the even larger takeover of Gulf by Solar.

In spite of these tentative indications of a change for the better, however, only the bravest of punters believes that equities can strike out for the really high ground while the bond market remains in its present morose mood.

Although M1 money supply plunged by \$3.6bn last week, and the leading indicators showed a heavy 1.1 per cent fall in March, fixed interest traders are still taking a gloomy view on the economy's potential for overheating.

Inflation is the main bogey for the bond market at present as industry pushes up to aggregate capacity levels of just over 80 per cent, where it begins to take all the slack out of the system.

For the time being equities can expect little relief. Some analysts have been pushing their figures back up again for the current six months. In particular, the airlines, railways, automobiles, high technology and oil groups have performed better than expected, according to brokers E. F. Hutton.

This week, as the quarterly reporting season petered out,

NEW YORK TERRY DODSWORTH

the main interest on Wall Street has been sparked by special situations.

The most surprising of these was the enormous \$2.3b leveraged buyout offer of Esmark, the food, chemicals and personal products conglomerate which itself gobble up the equally diversified Norton Simon less than a year ago.

The market immediate smelt blood, homing in like school of piranhas to push the share price up by \$12 on Friday to \$57 1/2 — \$2 1/2 over the offer price.

The scale of this leveraged offer — a bid in which the headline element of debt financing depends either on strong cash flow or the sale of assets, a which usually involves top management in the equity — exceeds anything attempted before.

The previous highest mounted by KKR, the comps at the centre of this project was for Wometex, the Florida leisure group, valued at a lit over \$800m, while the rec bid was the still incomplete \$1.4bn proposal for leveraged takeover of Met media.

The U.S. Press has been very hard on leveraged buyouts, partly because it leaves the new company heavily saddled with debt, and partly because they sometimes lead some fairly ruthless asset stripping. But as larger and larger public enterprises become involved, it begins to look though the market will make increasingly difficult for specialists to pick up assets the cheap in the way that all them easily to get away with criticised techniques.

At Esmark, for example, already clear that the market expects more than the \$5 share offer — yet that is based on virtually twice the value, and represents a multiple of well over 13 times the forecast earnings, against prospective market yield of than 9.

MARKET HIGHLIGHTS OF THE WEEK

Table with columns: Index, Price y/day, Change on week, 1983/4 High, 1983/4 Low, and Market Commentary. Includes F.T. Govt. Sec. Index, F.T. Ind. Ord. Index, Atlantic Resources, Beazer (C.H.), Blockleys, Bryson Oil and Gas, Distillers, Downiebrae, Group Lotus Car, Hanson Trust, ICI, Imperial Group, Laing (J.), London and Northern, London and O'ceas Freighters, Martin The Newsagent, Palliser Int'l, Plessey, Shiloh, and Tricentral.

BASE LENDING RATES table listing various banks and their interest rates for different terms (e.g., 1 month, 3 months, 6 months, 12 months).

Goodbye Beisa

RAIN seems to follow me around when I go travelling and, sure enough, it was overcast and damp on March 5, 1982, when with the other guests I flew in to the official opening of the Beisa uranium mine in South Africa's sunny Orange Free State.

Perhaps the weather was an omen because this week the General Mining Union Corporation (Gencor) group has said that it is to close down the young mine. This drastic step, something of a rarity in South Africa, has been forced on Gencor by the weakness of the market for uranium.

In fact, uranium is in such over-supply at low prices that Beisa, which has never managed to make a net profit would probably be unable to do so in the foreseeable future. So bang goes the R220m (£125m) that it cost to bring the mine to production.

The loser is the South African tax man because the deal was that the neighbouring St. Helena mine would work the Beisa property in return for a 15 per cent share of any profits and was allowed to deduct the R220m capital cost from its own tax liability. Furthermore, St. Helena was also protected against any further spending required over and above the tax saving.

On a happier note, British Petroleum's long-suffering Australian subsidiary, Selstrut Holdings is having some prospecting success, reminiscent of the magic that was wrought in the old Selection Trust days.

A second set of drilling results from the Temora gold prospect in New South Wales has given good gold values of around 3 grammes per tonne in large widths (thicknesses) of ore pierced by the drills. The best value was of 4.4 grammes gold over a drill intersection of as much as 33 metres.

The shape and size of the hidden orebody is not yet known — it is still open (undefined) at depth and to the south. But the ore lies near to the surface and the picture being drawn is of a good grade open-pit mining proposition in an area which is well supplied with water and other necessary infrastructure.

Some interesting, but loush, gold values have also been

NOW, EVERY WEEK, THE INVESTORS CHRONICLE GETS A LITTLE MORE PERSONAL

Investors Chronicle advertisement featuring 'COMING SOON IN MONEY MONITOR' and 'Alternative investments (silver)... money funds... high interest accounts... easing school fees with insurance contracts... investment trusts mid-year review... inheritance trusts... building society services... house prices'.

Investors Chronicle advertisement featuring 'When, in February 1983, the Investors Chronicle introduced Money Monitor, a monthly briefing on personal savings and investment, the results surprised even us.' and 'It seemed we had struck a chord. Readers liked it a lot. So much so that we have now decided to carry Money Monitor with every issue, instead of just one week in four.' Includes 'BUY PILKINGTON' logo.

CORRECTION May 5th, 1984. US\$75,000.00. Vizcaya International N.V. Guaranteed Floating Rate Notes Due 1996. Unconditionally Guaranteed by Banco de Vizcaya, S.A. In accordance with the terms and conditions of the Notes, notice is hereby given that for the initial Interest Period commencing on May 4th, 1984 the Notes will bear interest at the rate of 11 1/2% per annum. The interest payable on the relevant Interest Payment Date, November 5th, 1984, against Coupon No. 1 will be US\$597.40 per US\$10,000 Note. This notice supersedes the notice published on May 4th, 1984 which is hereby withdrawn. Agent Bank: ORION ROYAL BANK LIMITED.

A MAJOR INTERNATIONAL AUCTION. IMPORTANT OLD & ANTIQUE ORIENTAL CARPETS & TEXTILES. International Auctioneers of Rare Oriental Carpets - 1894 - 1984. CENTENARY AUCTION THURSDAY, 10th MAY 1984 AT 7.30 PM. RIFTON BOSWELL & COMPANY.

هكذا على المال

YOUR SAVINGS AND INVESTMENTS-1

Globe-trotting on the cheap

CLIVE WOLMAN
explains why the
second of a new
type of fund beats
the pioneer

IF YOU like the idea of picking up the telephone and switching your money around the globe out of Japanese convertible bonds and into Australian shares or Deutschemark deposits, you may be interested in a fund launched this week by Gartmore Fund Managers.

The fund, which allows you to switch your money around free of charge, has a forerunner—the Arbutnot Portfolio Trust launched in March.

But the Gartmore Capital Strategy Fund has several advantages over the Arbutnot fund.

Whereas the Arbutnot's annual management charges (2½ per cent) and commissions to brokers are excessively high—so high that it was compelled to resign from the Unit Trust Association—Gartmore has cut

its costs to the bone. In fact its charges are much lower than those of a conventional UK unit trust.

The biggest advantage is that there is no entry charge whatsoever. With a normal unit trust, nearly 6 per cent of your investment disappears in management charges and commissions to salesmen before a penny of it gets invested.

Gartmore will not be paying commissions to any salesmen, unless the investor signs a form requesting that it should do so.

Most unit trust brokers and advisers receive commission of 3 per cent from the unit trust without telling their clients.

Those who sell Arbutnot's Portfolio Trust can receive much more than 3 per cent—to the detriment of their clients.

So if your broker tries to push you into the Arbutnot fund rather than the Gartmore fund, it might be worth probing his motives.

The Gartmore fund imposes an annual management charge of only 1 per cent which is below the average of unit trusts. And there are no charges imposed for switching between funds up to four times a year.

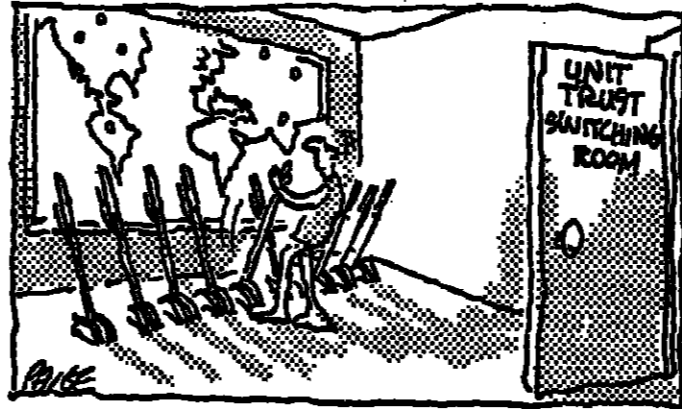
On any subsequent switch however, you face a charge of up to 1 per cent.

If, however, there is a rush to withdraw money from, say, the American fund, the managers are entitled to lower the price at which you can get out to a level below that of the value of the underlying assets.

This will be to cover the costs of selling the shares. There are a number of other differences between the Gartmore and the Arbutnot funds:

● The Gartmore fund is not an authorised unit trust and is set up in Jersey as a company. Investors buy shares from the managers which they guarantee to buy back at any time.

The main practical effects of this difference are that you have to communicate your instructions to Jersey rather than London and that you do not have the same degree of governmental protection as you do with an authorised unit trust.



● The range of sub-funds on offer is wider than the Arbutnot range, and allows you to invest in currencies and bonds as well as equities.

You can invest in a sterling deposit sub-fund, or U.S. dollars, Deutschemarks, yen, Swiss francs, five different equity sub-funds (North American, Japanese, Pacific Basin, International Growth and British), a gilt fund, an international high income fund and a year convertible bond fund.

Gartmore manages about £1.6bn of investors' money in markets around the world. Its corporate link-up with Exco International, the money brokers, will, it claims, allow it to obtain the highest possible interest rates for its clients

with money in the currency deposit sub-funds.

● You will not have to pay capital gains tax when switching your money between the sub-funds, but only when you withdraw your investment from the company.

Investors in the Arbutnot fund will probably enjoy the same advantages, but they have not received Inland Revenue clearance and some doubt remains. A further advantage of the Gartmore fund is that no tax will be deducted at source from its dividends. The fund is expected to be granted distributor status by the Inland Revenue.

Application forms obtainable from: Gartmore Investment Management, 2-4, St Mary Aze, London EC3. Tel: 01-623 5857.

IMPORTANT NEW INFORMATION FOR OWNERS & DIRECTORS OF SMALL AND MEDIUM-SIZED COMPANIES

“ ”



VITAL READING FOR EXECUTIVES

Amidst all the pensions talk comes the voice of reason.

You'll find this free leaflet a big help. It'll help you make sense of the massive media coverage surrounding pensions these days for a start. Moreover, in plain, simple English, it will give you an insight into how new pensions developments can help you and your company profit in ways you may never have considered.

Here's a sample of what it includes:

● How to use pensions to attract and keep talented staff at little or no cost to your company.

● How to dispense with the headaches of administering pensions, especially 'frozen' pensions for ex-employees.

● Specially-tailored plans, featuring highly rewarding financial benefits for directors and key executives.

● Efficient methods of obtaining personal and corporation tax relief against pension contributions.

This useful information comes from PGA, a company whose financial expertise has already helped thousands of people and companies utilise pensions

legislation effectively, saving them money and increasing returns on their investments.

Naturally, once you've read how to use pensions to your advantage, we would like you to use the pensions services we offer, but at no stage will you be put under any pressure whatsoever—you decide if and when you want to act and then we'll be delighted to show you how professionally we can perform.

Help yourself to some free advice about pensions, clip the coupon for your leaflet today—without obligation.

PROPERTY GROWTH ASSURANCE COMPANY LIMITED, LEON HOUSE, HIGH STREET, CROYDON CR9 1JL, TELEPHONE: 01-680 0606.

Send me my free leaflet on pensions—without obligation.

Name _____ Address _____

Company Name _____

PGA

A Member of the Phoenix Assurance Group

Property Growth Assurance Company Limited, Freeport, Croydon CR9 9ER, Telephone: 01-680 0606.

BUILDING SOCIETIES

Interest you can never get

THERE CAN'T be too many people who make investments which they never want to withdraw.

Yet some building societies appear to think there are.

They advertise interest rates on their short-term interest accounts which can only be earned if the funds are kept in their accounts in perpetuity. If the investor wants to withdraw money from their accounts she or he suffers a loss in interest. In a few cases there is such an interest penalty even where the depositor is required to give advance notice of withdrawal.

Short notice savings accounts, which pay a higher rate of interest than the ordinary share account, now represent an increasing proportion of building society funds—as much as 42 per cent. Investors are often attracted by the high advertised returns. But they are often disappointed.

Most societies offering these short notice accounts allow the investor withdrawal without loss of interest provided the investor gives the required notice. Alternatively they allow instant withdrawal with loss of interest.

There are, however, about 30 societies which operate accounts where the investor always suffers a loss of interest on withdrawal even in cases where they are required to give a period of notice. The net effect of this is that the rate of interest which they quote is not the effective rate. The quoted rate is only achieved if the investor never makes a withdrawal.

The Anglia Building Society, for instance, quotes a net rate of 7.5 per cent (10.71 per cent gross) on its capital share account. But if an investor makes a withdrawal she or he loses one month's interest on the amount with-

drawn regardless of whether the withdrawal is made instantly or after 28 days. The effective rate of interest is thus only 6.875 per cent for a 12-month investment.

Other societies which impose a penalty on withdrawals from their short-notice accounts include the Gateway, Lambeth and Northern Rock. The Yorkshire also does so on its Golden Key account but offers an alternative account paying a higher rate of interest where the depositor has the option of instant withdrawal with 80 days' loss of interest or withdrawal on 28 days' notice without loss of interest. Lambeth and National Counties take things a step further and not only require advance notice but impose an interest penalty. The attached table covers the main societies operating such accounts.

Margaret Hughes

Society	Account	Interest quoted (net per cent)	Notice required for withdrawal	Interest penalty
ANGLIA	Capital share	7.50	None	28 days
COLCHESTER	Bonus share	8.00*	None	90 days
GATEWAY	Super plus	7.50*	None	28 days
HINCKLEY AND RUGBY	Reward	7.35	None	30 days
	Extra Reward	7.85	None	60 days
HOMESDALE BENEFIT	Benefit share	8.25	None	60 days
LAMBETH	High yield	8.05	28 days	28 days
NATIONAL COUNTIES	Star share	8.05*	28 days	28 days
YORKSHIRE	Golden Key	7.25	None	28 days

*Interest paid annually

Source: Information Presentation Ltd

AN EXCEPTIONAL INVESTMENT OPPORTUNITY FOR INCOME TAX PAYERS

Singer & Friedlander's 1983/84 Business Expansion Fund, launched in September 1983 was fully invested by April 5th 1984 in seven companies covering a wide range of activities.

The activities of the companies invested in are: design and manufacture of housings for micro-electronic circuits; design and manufacture of precision electro-optics; a publishing, consulting and information service for the energy industry; importation of plywoods and sheet timber; manufacture and installation of UPVC replacement windows; operation of retail petrol filling sites; and sole UK distribution of recoverable shot blasting machinery.

Following this success, and in view of the investment opportunities that exist, Singer & Friedlander now offer participation in a second such Fund to income tax payers who recognise that such investments carry high risks as well as the prospects of exceptional rewards.

Through the Singer & Friedlander Business Expansion Fund 1984/85, investors are again offered the opportunity to achieve a potential high after-tax return from a spread of investments in qualifying unquoted companies with exciting prospects.

Arrangements have been made to enable practising accountants to participate in the 1984/85 Fund without contravening their professional ethics.

You can again benefit from Singer & Friedlander's long experience with emerging companies and ability to locate investment

opportunities through its national network of offices in Leeds, Birmingham, Nottingham, Glasgow and Bristol, over 200 propositions were received by the 1983/84 Fund.

Investors may subscribe a minimum of £2,000 up to a maximum of £40,000 and can obtain tax relief on the qualifying investments made by the Fund. There is no predetermined maximum size of the Fund, and Singer & Friedlander reserve the right to close the Fund before the announced date if the aggregate amount of subscriptions reaches what it considers to be optimum level.

All applications from new investors will be accepted in strict order of receipt, and you are advised to act without delay. The initial and only management charge to investors for the 1984/85 Fund is 4%.

A Fund approved by the Inland Revenue under the terms of the Finance Act 1983.

You are invited to write for a copy of the Memorandum describing the Fund by returning the coupon. Before deciding to proceed with a subscription, however, you are advised to seek advice from your stockbroker, bank manager, solicitor, accountant or other professional adviser.

This advertisement does not constitute an invitation to subscribe to the Fund. Subscription may only be made on the basis of the Memorandum describing the Fund.

CLOSING DATE FOR APPLICATIONS
25th MAY 1984
RING 01-623 3000



THE SINGER & FRIEDLANDER BUSINESS EXPANSION FUND 1984/85
To: Singer & Friedlander Limited, 21 New Street, Bishopsgate, London EC2M 4HR.
Please send me a copy of the Memorandum describing the Fund and an application form.

Name _____

Address _____

Postcode _____

EIU The Economist Intelligence Unit EIU Special Report No. 167

Art as Investment 1984

Is art as good an investment as shares? This report compares the performance of thirteen art categories with the increases in the Dow Jones and Financial Times indices, with earnings taken into account between 1959 and 1983.

Price £45. Payment with order please to The Economist Intelligence Unit Limited, Subscription Department (FT), 27 St. James's Place, London SW1A 1NT. Telephone: 01-493 6711

NEW! Nationwide Bonus-7

THE 7-DAY RATE WITHOUT THE 7-DAY WAIT

Nationwide's Bonus-7 Account pays 1% extra interest and offers immediate withdrawals

Nationwide's new 7-day account is the best choice for investors. For the big investor, above £10,000, there are no-notice, no-penalty withdrawals from the balance above this threshold. But you don't have to have this much invested to benefit from immediate withdrawals.

For everybody On lower balances, you can also get at your money immediately, and lose just seven days' interest on the sum withdrawn. On £100 that's just 14p—less than a first-class stamp! And if you give seven days' notice you lose no interest at all.

7.25% worth 10.36% All investors in Bonus-7 earn 7.25%, worth 10.36% to basic rate income tax payers; you need to invest £500 or more.

With £3,000 or more invested you can choose to have your interest paid as monthly income.

Come into Nationwide soon, or use the coupon. Take advantage of the 7-day rate without the 7-day wait!

It pays to decide Nationwide

Nationwide Building Society, New Oxford House, High Holborn, London WC1V 6PW.

These new terms apply to all existing Bonus Accounts. All interest rates quoted including the extra interest are variable.

To Nationwide Building Society, Investment Department, FREEPOST, London WC1V 6XA.

If we enclose a cheque for £ to open a Bonus-7 Account (£500 to £30,000 or up to £60,000 in a joint account),

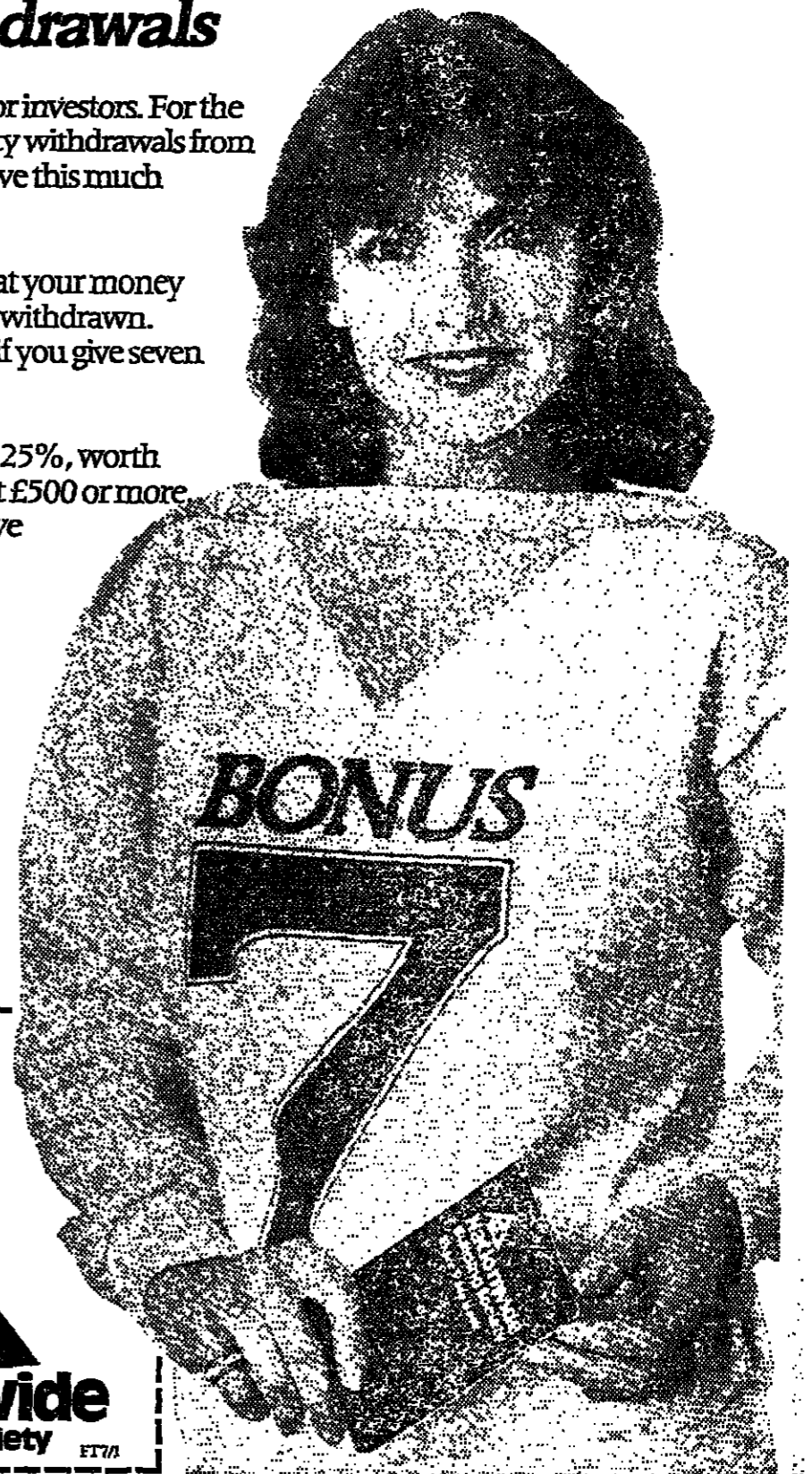
Interest to be paid monthly.

Name _____

Address _____

Postcode _____

Nationwide Building Society FT/7



How does your cheque account match up to ours?

Most cheque accounts provide such facilities as standing orders, direct debits and monthly statements. But what other benefits do you enjoy?

- 1 Do you earn 'money market' rates of interest?
- 2 Is there a £75 cheque guarantee facility?
- 3 Do you avoid transaction charges, even when you're overdrawn?
- 4 Are you provided with a VISA Premier Card?
- 5 Can you withdraw over £100 in cash without charge, from all banks that display the VISA sign—both here and overseas?
- 6 Are you automatically given an unsecured overdraft?

YES	NO
<input type="checkbox"/>	<input type="checkbox"/>
YES	NO
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YES	NO
<input type="checkbox"/>	<input type="checkbox"/>
YES	NO
<input type="checkbox"/>	<input type="checkbox"/>
YES	NO
<input type="checkbox"/>	<input type="checkbox"/>
YES	NO
<input type="checkbox"/>	<input type="checkbox"/>

If you've ticked any NO boxes, you could be getting a better deal. The Premier High Interest Bank Account with Robert Fleming & Co Limited, represents a totally new approach to personal banking. This one account offers the combined benefits of a high interest deposit account, a current account, a VISA Premier Card and an automatic unsecured overdraft facility. The minimum initial deposit to open an account is £1,000. Phone us today on 0708-66966 or return the coupon for full written details, including details of the overdraft facility.

Robert Fleming & Co Limited accepts deposits and grants overdrafts as principal. Save & Prosper Group Ltd acts as their agent.

HIGH INTEREST BANK ACCOUNT
with
ROBERT FLEMING, BANKERS

To: HIBA Administration Centre, Hexagon House, 28 Western Road, Romford RM1 3LB.
Please send me full written details of the Premier High Interest Bank Account with Robert Fleming, Bankers.

Name _____
Address _____
Postcode _____

SAVE & PROSPER

YOUR SAVINGS AND INVESTMENTS—2

INVESTOR PROTECTION—FUTURES

LHW—a tale of two victims



THE OFFER is almost irresistible. A chance for the small investor to enter the exciting world of commodity futures and make spectacular profits, with only limited risk.

Press advertisements tell the story of the man who made a quick killing in the zinc markets. Postal circulars offer free reports on gold mining companies, a commodity investors handbook, and the chance to win a gold sovereign or £3,000 in a free prize draw.

Just fill in the form or coupon and make sure to include your telephone number so that you can be contacted urgently in case you win the draw. Have a private account provided free to start trading in the markets. Then come the phone calls. A persuasive young man rises up to let you know that the research department has spotted an exciting opportunity that you must take advantage of, even if you haven't won the draw.

But you must act quickly. Remember that, although spectacular profits are almost certain to be made, if something goes wrong the company offers a unique limited risk contract, under which you are guaranteed never to lose more than the amount you have put up. There is no question of being stuck in the market, unable to get out, being forced to pay huge margin calls, as so often happens to investors with other commodity brokers.

If you happen to lose the initial deposit, you can easily stay in the market and recoup your losses by merely putting up some more money and adjusting your stop-loss point. You are in complete control, but will be assisted with advice and information provided by a team of research experts.

The phone calls keep coming, informing you of the latest opportunities. By using this technique LHW Futures has probably made itself the best known commodity broker in Britain in the space of three years.

Virtually anyone who has ever dabbled in speculative shares or other investments will by now have received the message—and probably the phone calls.

They have responded too. LHW now claims to have 5,000 clients, and is making such high

profits (around £1m last year) that it is contemplating going public and applying for a quotation on the Unlisted Securities Market.

It is also applying for a gambling licence to enable its clients to take bets on futures contracts, the profits from which would be tax-free.

However, while LHW has been booming, some of its clients have not done too well. Many of them have suffered losses they can ill afford in spite of the limited risk scheme.

Take the case of an unfortunate man in Wolverhampton. He has lost £24,300 since February and now has an overdraft of over £20,000.

He started in a modest way putting up £1,200 for a silver contract, which he sold at a 20 per cent profit. Encouraged he put up £10,000 to buy aluminium, a sure-fire winner that was certain to go up.

When the market went down instead, he was persuaded to put another £10,000 to recoup his losses but that went too.

Further forays into obscure markets he knew little about brought more losses.

An Edinburgh woman was luckier. After a series of phone calls she was persuaded to put up £2,500 for investing in platinum futures which she knew nothing about and faced losing the lot. She finally confessed to her husband what had happened and together they managed to make LHW return the money, after making a tape recording of some of the phone calls.

Although she suffered no financial loss eventually, the worry made her lose 10 lbs in weight.

She was indignant about the way she had been pressed into doing something she couldn't afford.

She was horrified to find the commission on her £2,500 was £1,038.75, so that the market would have had to rise substantially before any profit was made.

Complaints by investors who have lost money are familiar enough and by no means confined to LHW or the commodity markets. However the flow of complaints about LHW raises the question as to whether such aggressive selling techniques should be used to persuade unsophisticated members of the public to enter the highly risky world of futures trading.

Two years or so ago, a judge at the Old Bailey described the commodity market as a jungle where the small investor was the main prey. Nothing much has changed since then, although plans are in hand to improve protection for investors in the futures market.

But these plans are concerned mainly with protecting investors against swindles and no one is suggesting LHW comes into that category.

The charge against LHW is that of charging excessive commissions, up to 3 per cent compared with 1 or 1.5 per cent charged by other brokers. John Hughes, managing director of LHW Futures, justifies their higher rates as necessary to provide the all-important limited risk scheme so liked by clients.

They have to lay off the risk with floor brokers handling the business and are consequently charged more. The size of the extra commission varies according to the market. Mr Hughes claims, and the average commission paid by clients is well below 5 per cent.

At the same time he says that the steep commission rates reflect the high administrative costs of providing a service to small investors, whom other brokers are not prepared to take on.

Nevertheless many clients are not made properly aware that the 5 per cent commission applies to the entire sum at risk and not just the margin deposit they pay. The £1,038.75 commission on the £2,500 put up by the Edinburgh woman is equivalent to 37 per cent of the underlying £28,000 commitment.

Hughes says there is a big potential market among small investors for trading in futures that existing brokers have ignored.

It needs a new approach, he believes, to tap that market. Inevitably, some clients would complain about losing money—but those who made money were likely to keep quiet.

Mr Hughes said that LHW had given up "cold" calling, under pressure from the commodity exchanges, backed up by the Bank of England. He emphasised that the promotional literature in the Press or via the post made it clear that futures trading was a high-risk business.

Some Press advertisements had included a "for speculators only" headline. The printed literature certainly includes plenty of warnings. But the 45 eager account executives, employed by LHW to service clients, rely on their earnings, and they are hardly likely to emphasise the potential losses.

John Edwards

'Not a penny' for Doxford clients

Lessons of a City crash

Done-a-bunker Hunt

Commodities market a jungle, says judge

MAY OLD BAILEY judge has called on...

BRITANNIA ARROW—ACQUISITION OF SINGER & FRIEDLANDER COMPLETED



The Rt. Hon. Geoffrey Rippon, O.C., M.P., Chairman, Britannia Arrow Holdings PLC

- MAJOR ACQUISITIONS**
- GARDNER AND PRESTON MOSS, INC. July 1983
 - NATIONAL EMPLOYERS LIFE ASSURANCE CO. LTD. July 1983
 - SINGER & FRIEDLANDER LTD. April 1984

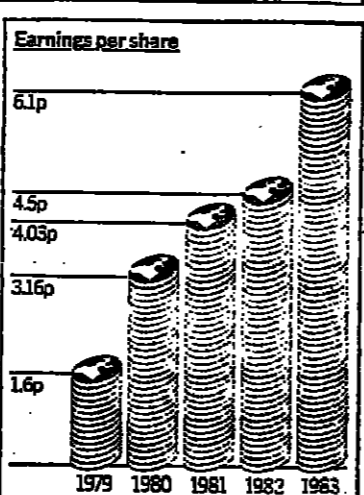
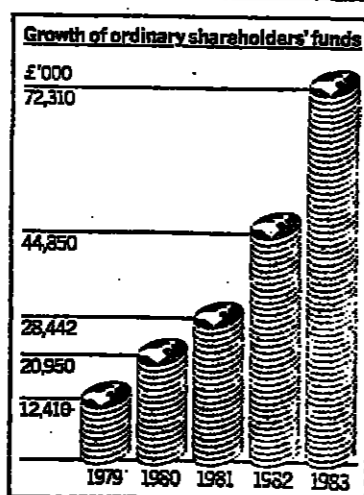
"During 1983 your Company acquired Gardner and Preston Moss, Inc. for an aggregate cash consideration of approximately U.S. \$16.5 million, the equivalent of some £11 million, of which almost U.S. \$13.2 million has been paid to date, leaving some U.S. \$3.3 million to be paid in the future. In addition your Company acquired National Employers Life Assurance Company Limited at a cost of £20 million in cash."

At an extraordinary meeting of Britannia Arrow shareholders held on 30 April, the acquisition of a controlling interest in Singer & Friedlander Limited, the merchant bank, which is a member of the Accepting Houses Committee was approved. The total consideration was £52 million provided in part by the placing of £50 million nominal of 9% Convertible Unsecured Loan Stock 1995/2000.

Extracts from the Chairman's letter to shareholders

SUMMARY OF RESULTS FOR YEAR ENDED 31 DECEMBER 1983

	1983	1982
	£m.	£m.
Turnover	537.1	258.3
Group pre-tax profit	10.1	6.0
Funds managed	3,000	1,200
Earnings per share	6.1 pence	4.5 pence
Ordinary dividend	2.2	1.7



1983 RESULTS
RECORD PROFITS OF £10.1m
CAPITAL EMPLOYED £138m
FUNDS UNDER MANAGEMENT over £3,000m

"The Company's preliminary unaudited results for 1983 showed another record year with profits before tax of £10.1 million as against £6.0 million in 1982."

"Earnings per share were 6.1p (1982: 4.5p) and your Board is recommending a final dividend of 1.2p net per share, giving a total net dividend for the year of 2.2p (1982: 1.7p)."

"On the basis of the pro forma unaudited 1983 balance sheet the enlarged group shows capital employed of £138 million."

1984 has started very well with new business at record levels in both the U.K. and U.S.A.

Copies of the Annual Report, which will be posted to Shareholders in May, 1984, and information concerning the activities of the Group, including a wide range of unit trusts and investment management services, may be obtained by returning this coupon to The Secretary, Britannia Arrow Holdings PLC, Salisbury House, 29 Finsbury Circus, London EC2M 5JL.

Name _____
Address _____
FT

INVESTOR PROTECTION—GOWER

How to stop non-fools rushing in

YOU CANNOT prevent people from making fools of themselves. But you can try to protect reasonable people from being made fools of.

This is the robust common-sense behind the elaborate review of investor protection written by Professor Jim Gower for the Department of Trade and Industry.

Prof. Gower's report was published in January, and in the past week or two dozens of submissions, mostly from City of London organisations, have been sent to the Department in response to the call for opinions.

The evidence will now be sifted, and the aim is that Norman Tebbit, Secretary of State for Trade and Industry, will decide on the Government's line before the summer holidays. A White Paper will then follow in the autumn.

A series of collapses of investment firms led to the appointment of Prof. Gower and his continued during his period of inquiry. For instance, Norton Warburg, the investment management concern, collapsed during 1981, and commodity brokers M. L. Doxford crashed at the end of the same year.

The commodity markets have been particular sources of trouble with private investors being lured by the prospect of high returns into markets designed to serve professional or commercial clients who are supposed to be able to look after themselves.

In contrast, more traditional investment media have been quite tightly regulated for many years. This applies to the unit trusts, for instance, which have been scandal-free, and to the life assurance companies, where controls were tightened up some time ago. There are no longer any limitations on the commissions that can be paid to the salesmen of their wares.

The Stock Exchange is a prime example of self-regulation. Occasionally a stock broker goes bust, but there is a strong disciplinary system to punish members who break the rules.

In any event the Stock Exchange runs a compensation fund to pay back members of the public who lose money when a member firm fails.

In other areas, more or less anything goes. This has applied to funds trading in commodity futures, for instance, and to the sometimes murky world of offshore life assurance companies.

Offshore funds are set up to escape either tight onshore supervision or tax or both. Though there are tight regulations on how they can be advertised and marketed in the UK, there is nothing to stop British investors from buying

them. In seeking to rationalise the different treatment of investment media, it looks as though Mr Tebbit will be edging towards statutory supervision—perhaps through a special commission.

This could affect the investor in the street in three main ways. Changes would involve:

- The control of particular types of investment
- Methods of marketing
- Scheme to protect investors against malpractice

None of these changes will be without cost to somebody.

BARRY RILEY reviews the responses to a scheme to curb the rogues and the reckless

Others believe, however, that it is highly dangerous to sell investments door-to-door in the same way as double glazing.

Proposals for some kind of cooling-off period, so that investors could cancel a contract after an over-persuasive salesman had left, are viewed with mixed feelings.

The M and G unit trust group has come out strongly on these points, with the uncompromising view that high pressure salesmanship should be kept out of the investment business, whether for unit trusts or life assurance.

Certainly there are some big problems yet to be solved in terms of the commissions paid to salesman and other intermediaries.

The life offices are finding it hard to make their fixed commission scales stick, with the more aggressive companies tempted to pay higher commissions to the more productive and successful intermediaries. Ultimately, of course, the customer pays.

All the same, some degree of responsibility will have to continue to attach to the individual investor. If the system is to work properly.

This is particularly relevant to the area of protecting against malpractice. Prof. Gower has suggested that various sectors of the investment markets need to set up insurance schemes or compensation funds to protect investors against failure. Each must look after his own.

But blanket protection might be counterproductive. Investors would have no incentive to avoid risky companies and stick to sound ones. Everybody would have to bear the cost of the insurance schemes.

At any rate, it would not be a way of encouraging fools to become reasonable people.



Gower: "Keep it in the family"

The general principle is that the more tightly the investment media are regulated, the less flexible the system will become.

At worst, moreover, the sensible, cautious investors could wind up paying extra to protect their investments from loss.

The safest extreme for life assurance, for instance, would be a system in which premiums, commissions, investments and expenses were all laid down by a State agency. In some foreign countries that is more or less the way it works now.

Although an investor could never lose through fraud or incompetence he could suffer in all sorts of other ways. The featherbedded insurance companies would have very high costs.

Worst of all, the investor would have little or no real choice, and innovation would

Britannia Arrow Holdings PLC

YOUR SAVINGS AND INVESTMENTS—3

How to play footsie

CLIVE WOLMAN
explains his
decision tree

IF YOU have any views at all about what is likely to happen to the UK stock market, it is now possible to back your judgment with more precision than at any time in the past. You may wish to speculate that over the next few months the market will go up, go down, possibly go up a little and then down or possibly down a little and then up, or hardly move at all. You may wish to speculate that the market will move one way but to limit your losses if it goes the other way.

Alternatively, if you already own a spread of shares or unit trusts, you can protect the value of your holdings against a possible fall in the stock market by hedging.

The launch this week of traded options and futures contracts on the UK stock market index, the FT-SE 100, allows you to carry out the necessary transactions.

Futures and traded options sound horribly technical. And the contracts that have been launched prior to this week, on individual shares, interest rates and currencies, have been used mainly by professional investors.

But trying to get your forecasts right on movements in the stock market is a much less complex and arcane task than trying to forecast, say, gilt prices or dollar rates.

Indeed all the evidence suggests that the small and, supposedly, unsophisticated private investor is just as likely to be right on stock market movements as the full-time professional.

A series of articles on these pages last Saturday described the new launches and explained, in particular, how the traded options on the FT-SE 100 would work.

The decision tree opposite, however, is designed to demonstrate, in a simplified way, under what circumstances you would use different types and combinations of traded options—and when you would use one of the alternative financial instruments or investment means.

But it is important to appreciate the level of risk you are taking when speculating on the stock market, in particular when you are selling options or futures contracts.

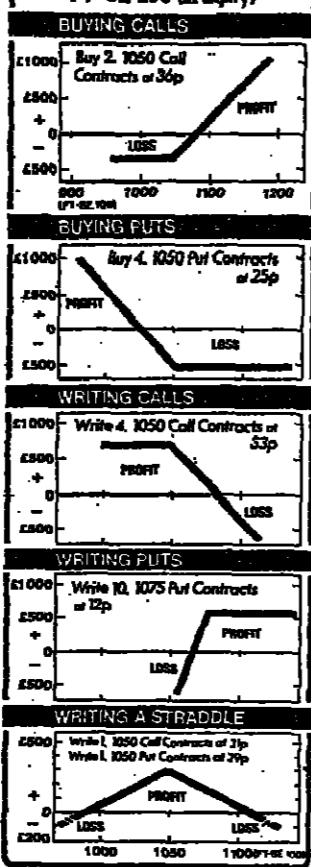
The amount of money you are required to deposit with your stockbroker, or other dealer, represents only a fraction of the amount you would have to invest in shares to bear the same risks. When selling options, the proportion is about one-eighth. When selling futures it is about one-twentieth.

Make sure you or your broker have done the calculations carefully so that you don't over-commit yourself.

In general, traded options are more suitable for the private investor as the size of the contract is relatively small. At the current level of the market it is equivalent to investing about £5,700 in shares.

But the risk/reward profile of using traded options varies (see graphs). When you sell ("write") either a call option or a put option, your maximum profit is limited to the amount you receive on the sale.

THE RISKS AND REWARDS OF TRADED OPTIONS ON THE FT-SE 100 (at expiry)



But that is secure unless the market moves quite strongly against you, and then your losses could be extremely high.

The risks and rewards of buying put or call options are the mirror image.

These are the other strategies mentioned in the chart.

Traded options—writing a straddle: This involves selling both a call and a put option and would be used if you think the market will move very little in either direction.

Selling an FT-SE futures contract: To be used if you believe that the index is likely to fall. The contract entitles you to be paid the difference between the quoted value of the contract when you sell it and the level of the index when the contract terminates.

The disadvantage of this method is that the size of a single contract is large (equivalent in risk to investing about £28,500 in the underlying shares).

Taking an up-bet or down-bet on the FT-SE: You bet a specified sum, say £10, per point of the index. The stake represents the amount of profit you make (after deducting the bookmaker's turn which is usually worth about 2 points) for every point the index moves in the direction you forecast—and your loss for every point the index moves in the wrong direction. Your profits and losses can be limited by closing your bet at any time.

Betting profits are not liable to tax and betting losses cannot be offset against tax.

The three major bookmakers offering bets on the FT-SE are Leadbrooke's (Tel: 01-861 4567), I.G. Index (01-828 5699) and City Index (01-283 3667).

Unit trusts or investment trusts: Investing in a UK general unit trust or investment trust can have a similar risk/reward profile to using futures contracts or betting. Whether you make a profit or loss depends critically on whether the stock market index rises or falls.

But there are a number of important differences:

- You have to commit far more money to obtain the same

degree of exposure to the stock market.

- Unit trusts and investment trusts are designed as longer-term investments.

- Unit and investment trusts not necessarily move in line with the FT-SE index. The average UK unit trust has under-performed the index in recent years.

- The charges for unit trusts are high compared with those for the other contracts.

If you wish to use options, futures or betting to protect the value of your unit trust or shareholdings, the calculations are more complicated. If you want to devise a perfect hedge against a fall in the stock market, or as near perfect as possible, you need to take out options or futures contracts or bets which will go up to the same extent as your shares/unit trusts fall in value (and vice-versa).

This requires a calculation of the volatility of your share portfolio compared to that of the stock market as a whole. If the FT-SE falls by 10 per cent, will your portfolio fall by more or less than 10 per cent?

It is possible to project the future volatility of shares from their past record, although their behaviour sometimes changes.

Some stockbrokers are able and willing to analyse the shares of even their smaller private clients in this way.

One example is the City firm Greaveson Grant, which is also willing to manage a hedged position for its private clients.

The alternative to hedging your portfolio of shares or unit trusts is to sell them. But if you believe that the fall you anticipate in the stock market will not continue for more than about a year, it will be very expensive for you to sell your portfolio and buy it back later, because of the dealing costs.

Even if you anticipate a long-term decline, it may be preferable to postpone selling off your holdings. For example, such a sale might crystallise a liability to capital gains tax (CGT).

Some aspects of the taxation of stock index options and futures have yet to be cleared up by the Inland Revenue.

In particular, there is a small risk that any profits, even pure hedging profits, from the use of these contracts will be taxed as miscellaneous investment income.

This would mean that the private investor would be taxed at his top marginal rate on his profits and would probably be unable to offset his losses against anything.

In practice, it appears that private investors who have used futures or options as a hedge and recorded the transactions in the capital gains tax section of their tax returns have not been challenged by their tax inspectors.

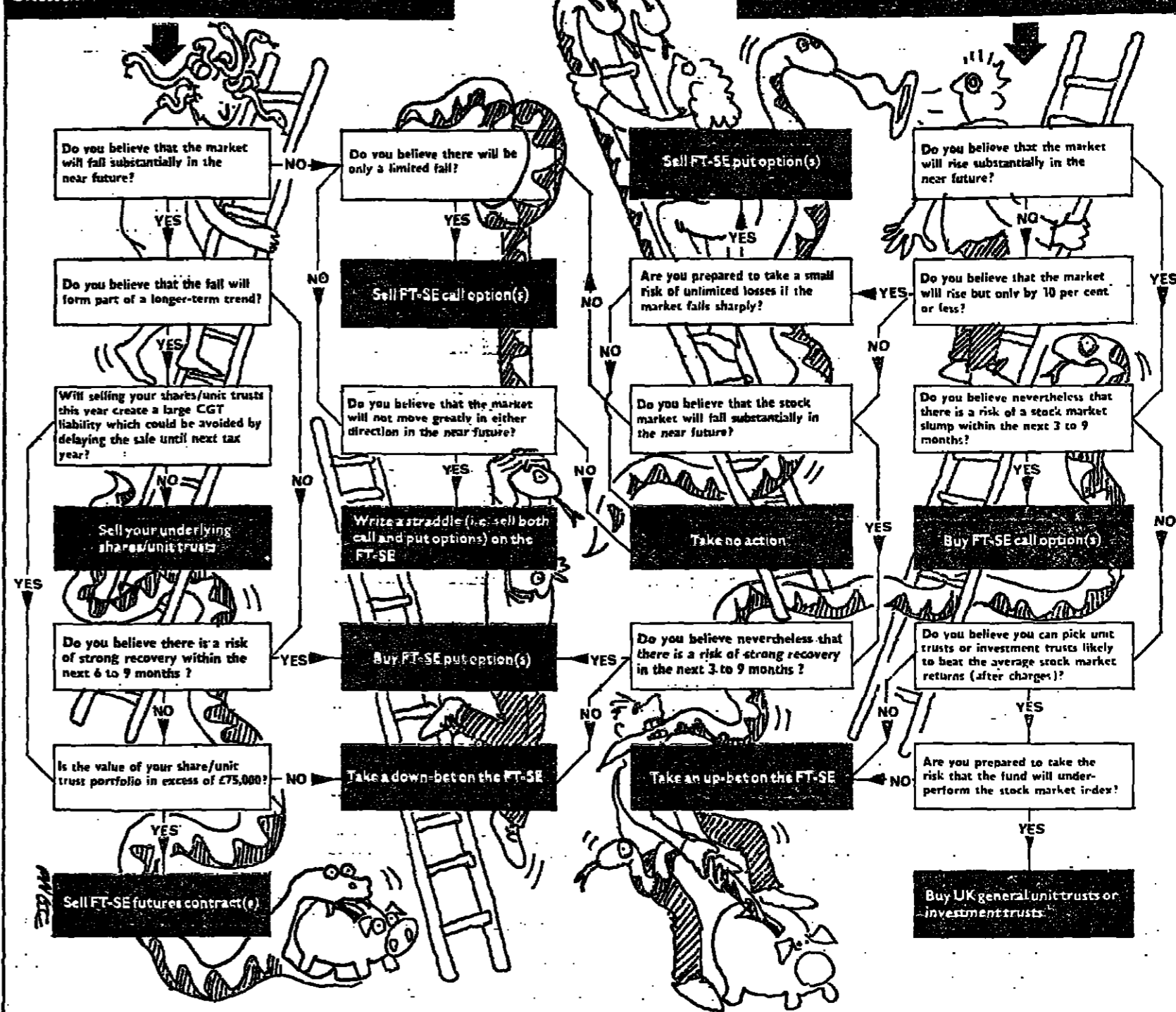
Provided you can show that you have used the contract as a hedge, you should get away with its being considered a capital gain or loss.

Even the use of options by the non-professional for speculative purposes will probably be taxed like all other traded options under the capital gains provisions.

But if the Inland Revenue makes a ruling that either options or futures or both will be taxed in a less favourable way, the advice given in the chart will no longer hold true. The only alternative will be to take bets on the FT-SE 100 Index.

For those who own UK general unit trusts or a diversified portfolio of UK shares but feel nervous about the UK stock market.

For those who do not own UK shares or unit trusts of any great value.

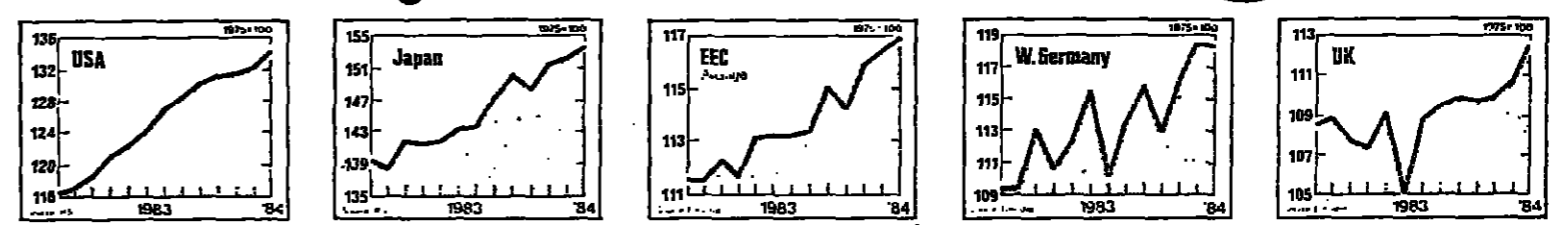


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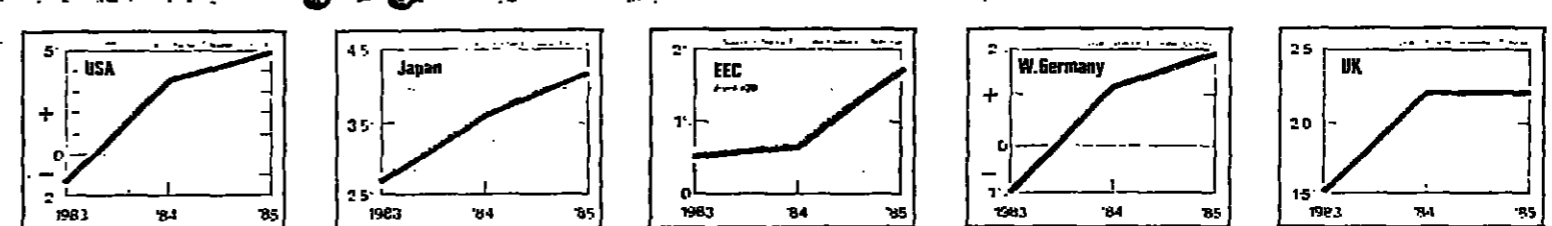
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Why you should invest in it



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PROPERTY

Gardens great and small

BY JUNE FIELD

The selling power of properties with good gardens is increasing in this year of the English Tourist Board's "A Celebration of English Gardens," which is supported by the opening of the International Garden Festival in Liverpool this week.

So if you have a place for sale over this May Day weekend, make sure that the garden, be it park-like or patio, looks trim. The fine weather should bring out the viewers. Mow the lawn, weed the pathways, spruce up any window boxes, and shut up the dog.

As an example of garden appeal, consider Lyegrove, in Little Sodbury, near Badminton on the Gloucestershire/Avon borders, which went on the market last month. Since then, over 400 copies of the sales particulars have gone out, and some 100 people have viewed what a *Country Life* writer in 1929 called a charming ensemble of house and garden. Yet the 17th-century mansion needs a substantial amount of money spent on it, and the adjacent cottages and flats have sitting tenants.

The reason for what Geoffrey van Cutsem of Savills, the agents, calls "the incredible amount of interest at a premium price (in the region of £250,000), is the shortage of properties like this with fine grounds.

The late Countess of Westmoreland created Lyegrove's magnificent walled garden with the aid of architect G. H. Kitchen. She and the Earl bought the 181-acre estate in 1926, and over the year the garden, as much as the house, has been acclaimed for its outstanding architectural qualities, and featured in Peter Coates' *Great Gardens of Britain* (Treasure Press).

Geoffrey van Cutsem says that the competition generated by so many offers coming in has ensured that although a guide price of £250,000 was given, a figure more in the region of £300,000 is expected. Best and final offers have to be in by Tuesday.

The 98-acre estate Horsted Place, Uckfield, Sussex, former home of the late Lord Rupert Nevill, one-time treasurer and private secretary to the Duke of Edinburgh, has been sold to a Canadian consortium for what joint agents Savills and Strutt & Parker report as a figure close to the guide price of in excess of £350,000.

The beautiful gardens which were created by Lady Rupert Nevill together with landscape architect Sir Geoffrey Jellicoe, will now be appreciated by what are referred to as senior business visitors and the prestige vacation traveller.

When opened in its new role in May next year the estate

will be operated in the traditions of an English country house," explained a spokesman for the Canadian syndicate, who says the new project will involve a capital investment of £350,000.

Of current appeal too are gardens of more modest proportions. Witness the enthusiasm for the late Beverley Nichols' Sudbrook Cottage and garden which sold earlier this year.

More a country house perhaps is Lakeside, in five acres near the village of Whitbourne. Just sold through Knight Frank and Rutley's Herefordshire office in excess of the asking price of £120,000. But then the place used to be the home of the head gardener of the nearby Gaines estate, and the current vendor is nursery man and flower-breeder Michael Jefferson-Brown.

Just sold too, by KFR's Shrewsbury office, is The Old Vicarage in two acres at Bent-hall, Shropshire. The hobby of the owner, retired headmaster John Cragg, is pomology, the art or science of raising fruit, and the 40 different varieties of apples (including the rare *Court Pendu Plat*, which is believed to date back to Roman times), plus 11 different kinds of plum, seven of greengages and half-a-dozen of pears, most certainly contributed to the sale of his home for which offers in the region of £85,000 were being sought.



Rectory garden in an acre in Whitewell, Whitechurch, Shropshire, originally laid out in the late 19th century by Rev. Joseph Jacob, noted horticulturist and author of gardening books. The 4-bedroom house has a 3-room self-contained wing, and is in the region of £75,500 through J. A. Lister, Jones & Son, 33 High Street, Wrexham, LL13 2LD (0978 242233), and J. P. A. Moley, Street & Parker, Leathes House, 19 Grosvenor Street, Chester CH1 2DD (0244 310274)

where the BBC recorded the programme *Discovering Birds*.

When Tony Soper took television cameras into the charming garden, some 29 different species of birds were seen, although the place is only two miles from the centre of Southampton. The somewhat unusual delights of badger-watching evenings are something in store for the new owners too.

Where to look for your house and garden:

● Cornwall: With the 40th anniversary of D-Day coming up there is considerable interest in General Eisenhower's D-Day headquarters in 1928 house with a cottage, lodge and well-established 6-acre gardens. It is between Truro and Falmouth, and Miller's Mansion House, Princes Street, Truro, are asking £235,000.

● Devon: Oakleigh House and Mamhead Park Farm, near Exeter, originally formed part of the park and grounds designed by Lancelot "Capability" Brown. (The renowned 18th century landscape designer earned his nickname because of the quick, imaginative and practical assessment he made of the "capabilities" of a property's improvement.) The 5-bedroom house built three years ago in Flemish style has an indoor swimming pool complex, and the 95-acre farm is currently

given over to sheep, cattle and pigs. John Eaton-Terry, Fox and Sons' Exeter office, and Savills' Wimborne office are inviting offers in the region of £400,000.

● Kent: Knight Frank & Rutley's Hanover Square, London W1 office, the surveyors in Lords' Cricket Ground, in conjunction with Colin Gray and Co. Sevenoaks, Kent, are offering Walsley View, in 171 acres at Penhurst, on the site where the first cricket ball was made. The 5-bedroom house which was built 16 years ago replaces a Victorian mansion; and the fine garden forms part of the original Redleaf Estate laid out by William Wells in 1829, and includes Wallingtonia, specimen rhododendrons and azaleas, plus a walk of roses and hydrangeas. (For sale in excess of £350,000.)

And if you just want an 81-acre small holding of four glass-houses and all grade I land, then Walstone Nurseries, Preston, is for sale through G. W. Finn & Sons, and Strutt & Parker, Canterbury, for in the region of £60,000.

● Hampshire: Robert Adley, MP, author of books about railways, and the soon to be published *All Change Hong Kong*, is selling his home Woodend in two acres at Lyndinton. (Because of the alteration in the boundaries of his constituency, it is now wholly within Dorset.) The 7-bedroom mainly Regency house has Mr Adley's collection of railway memorabilia in the garden—level crossing gates and a full-sized signal.

These are not included in the price of £200,000. (Details Paul Jackson, Jackson & Jackson, 0590 75025, and Christopher Chetwode, Knight Frank & Rutley, 01-629 5171.)

● Suffolk: Admiral Lord Nelson's mother Catherine Suckling was born at the Old Rectory, with its 21-acre pretty wooded gardens, in Barsham, near Beccles. Nigel Steele, Strutt & Parker's Norwich office and Turbull & Company, Museum Street, Ipswich, are looking for offers around £127,500 for the 6 bedroom Jacobean house which incorporates an adjoining cottage which has been used for holiday letting.

● Yorkshire: A 17th century farmhouse, Low Row, Richmond, in the heart of the Dales National Park, is the part of Swaledale used for filming the James Herriot vet stories for television. The 5 bedroom, 2 bathroom rose-clad stone house has a kitchen garden, paddock and two pony houses. Johnny Jackson, Knight Frank & Rutley's Boroughbridge office (090 123171), is indicating a price guide of £70,000.

And at Liverpool's International Garden Festival in Lancashire, Abbey National Housing, Brossley, Barratt, Norwest Holes and Wimpey have built homes in lavishly landscaped settings, which can be bought after the festival. Barratt's hungalow and house each have a plant-filled conservatory and a swimming pool, and are expected to sell at over £100,000.



Farmhouse garden in Low Row, North Yorkshire, overlooking the Swale Valley, district used for the television filming of the vet series by James Herriot. The rose-clad house dated 1665 has a guide price of £70,000 through Johnny Jackson, Knight Frank & Rutley, High Street, Boroughbridge, North Yorkshire (090 123171).

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TRAVEL

Anthony Curtis and Arthur Sandles look at life in the Eastern Mediterranean

Argonauts are overtaken by technology

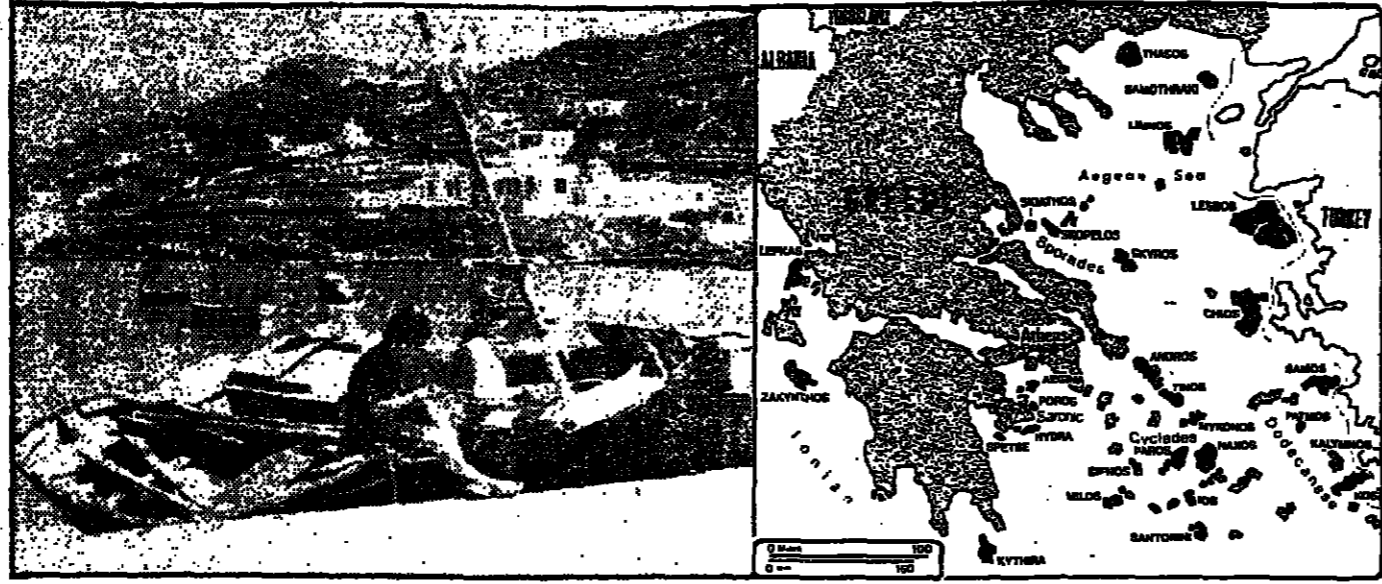
IT WAS a cold March Friday morning, but we were up and dressed by 5.30 am. By seven we had arrived at Gatwick. A porter on the platform noticed the yellow tour labels on our suitcases and to our relief, took them upstairs with other similarly identified luggage to the check-in counter for our flight to Naples.

The next we saw of them was about 12 hours later when we boarded Swan Hellenic's MTS Orpheus and unlocked the door of our cabin for the first time. They were stacked neatly outside.

By then we had done a full day's site-seeing. We had visited the Sibylla's cave at Cumae; we had inspected the remains of the fashionable Roman watering-place at Baiae; we had stood outside the great amphitheatre at Pozzuoli, where Christians were thrown to the lions and we had espied Lake Avernus, finding it nowadays to be a placid sheet of water. It was perhaps an over-energetic start, but at the same time the ship, having once toiled through Aeneid VI as a schoolboy, would turn down a chance to visit the entrance to the Underworld?

It means that we got to know the first of our lecturers, Sam Hunt, on the coach not the ship. He shepherded our party around the shrines of a booming spaw, not dissimilar from the Roman antiquities we know at home as Curator of Bath Museums Service.

Each cruise normally carries five such specialist lecturers who through talks in the main lounge, which may also be heard on the speakers in the cabins, prepare the passengers for what they are about to see. At the site itself one is handed over to local guides. They really need an article to themselves some time; the formal Greek guides who actually stay on board for several days, the jokey Israeli grandmas and grandpas, the aggressive Turks, and the Yugoslavian girls who rattle off the information as impersonally as computers. On our cruise we had four classical lecturers and one botanist, Glyn Jones of Royal Holloway College, whose plant-hunting expeditions were ex-



tremely popular at a time when the shores of the Mediterranean were ablaze with many different varieties of endemic wild flowers. He greeted the white peony exclusive to Rhodes like a long-lost brother.

This kind of cruising, a combination of sun, archaeology, tramping about ashore and luxurious living aboard, dates from well before the war. You certainly do not need to be a classical scholar to enjoy it. A character in Rosamond Lehmann's recently televised novel, *The Weather in the Streets* (1935) says: "My dear, Greece! Isn't it too marvelous? I shall really see all that. I've been most studiously informing myself about the Acropolis and all those temples. They have lectures on board too—I shall come back a perfect blue-stock- ing." Actually this sounds a bit precious for Swan, which really came into its own in the archaeological boom of the 1950s, the heyday of Sir Mortimer Wheeler who was a frequent guest lecturer.

A few years ago the company, Swan Hellenic, was up for sale and was bought by Trust House Forte, but that did not last. It now belongs to P & O which was particularly glad to acquire it when they lost one of their best-known cruise ships, the Uganda, after the Falklands operation where it now does transport duty. Among my fellow passengers I found several old Uganda hands who by the end of the cruise seemed to

have formed a fairly firm attachment to the less spacious Orpheus, a Greek vessel with a Greek captain and crew. P & O has plans to improve but no intention of changing the hallowed Swan formula. The super-efficient Miss Doreen Goodrick remains the Cruise Director; the same meticulously timed schedules of excursions and plans for the next day issue from the Cruise Office each evening, one copy of which is put beside each passenger's napkin at dinner, the same wealth of maps and diagrams to orientate you rapidly when you get ashore.

Our cruise lasted 13 days altogether. The second day, like the first, was largely spent on dry land in sight of Vesuvius, still smouldering, to see the remains of Herculaneum submerged in volcanic mud; after that to Paestum with its three superb Greek temples, all in fine condition. Here we heard a short general talk from Thomas Braun, Dean of Merton College, Oxford, his first ever Swan talk. It was a good debut. He spoke, amusingly, in general terms, without any loss of erudition.

Meanwhile the ship had sailed on, cruising along the Sorrentine Peninsula with those passengers who did not fancy Paestum, passing Capri and Anacapri. Unhappily these places were obscured by cloud, we heard when we rejoined the ship at Salerno. Now, as we headed for Itea in Greece, we really started cruising in earnest. The whole of the next day was passed at sea.

Some people when they return from a Swan cruise can be heard complaining, a little perversely, that they have been made to see too much: excavations, fortresses, sculptures, mosaics, stadia, churches, mosques all swim together confusingly in the mind.

Myself I did not come away with this sense of indigestion: the cruise seemed to have a satisfactory shape through visits to places all of which had once been great centres of worship. After Delphi we went to Jerusalem and other sites in the Holy Land, from Haifa where we lay at anchor for two days. We were prepared for the "culture-shock" (as he put it) of the Holy Places today by the Rev. E. R. Norman, Dean of Peterhouse College, in a talk he gave in the Lounge of the Muses, and from a more general point of view by Dr (Miss) M. V. Seton-Williams on the Middle East today.

The food is generous, not especially gastronomic (though one or two of the fish dishes are excellent), and there is an abundance of that thick white Greek yoghurt that looks like whipped cream and tastes delicious for breakfast. As an alternative to the Restaurant there is the Jason Taverna with an elaborate hot and cold buffet, an agreeable place to go for lunch, picnicking on deck if conditions are sunny enough. We only dined ashore three

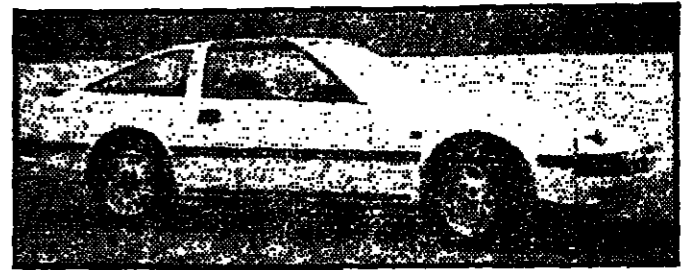
times: one of these occasions was lunch at the Intercontinental Hotel in Jerusalem which has a magnificent panoramic view of the Dome of the Rock, the Garden of Gethsemane, the Mount of Olives and the whole of the ancient city. The lunch was included in our Swan package, but not the drinks. Someone ordered two gins and tonics; price, £16.

After our biblical wanderings in Nazareth (where my wife bought saffron), Capernaum, Tiberias, to the bank of the Jordan river, it was revealing to go back to classical Greece with its symmetry and rationality. We celebrated Greek Independence Day in a cafe in the centre of Rhodes, watching thousands of schoolchildren march to the cathedral to the strains of a military band, in their best blue and white uniforms. Then on to magical, unpeopled Delos. Mykonos for shopping, Athens, Corfu, and finally a morning in Dubrovnik from where we flew home.

Swan Hellenic Cruises usually last for 13 nights, and are available during most months of the year. The price for each passenger is within a range of £876 to £1,715 according to cabin accommodation. Itineraries vary considerably from cruise to cruise. A full chronological list of future cruises is printed in the brochure, obtainable from Beaufort House, St Botolph Street, London EC3A 7DX.

MOTORING

Japanese spring in the Alps



The 155 mph Nissan 300 ZX Turbo, latest version of the world's most popular sports car

THE PLACE NAMES sounded German and the motorway stretched invitingly into the far distance but Winterthur and Frauenfeld are in Switzerland. The 130 km/h limit is compulsory, not advisory, and it's no good playing the idiot Englishman because Swiss police all seem to have degrees in modern languages and on-the-spot fines are heavy.

So I took off the glass roof panels of the Nissan 300ZX Turbo and decided to enjoy some open air motoring instead of trying to find out if it really would do 155 mph, as Nissan says. It's claimed to be the fastest Japanese car ever marketed to the public. It was one of those magical late April days when it had stopped being winter and became summer overnight. At 70 mph the 300ZX with its top off was cosy enough for shirt-sleeve driving and quiet enough for the radio to be heard. I wouldn't want to drive it for hundreds of miles at autobahn speeds because the wind roar becomes oppressive. But open cars are not really for fast driving; and the 300ZX with the roof on is almost eerily quiet at very high speeds indeed. One I drove round the Goodyear five-mile circle in Texas at 130 mph as a Jaguar XJ-S HE, and few cars come as quiet as that.

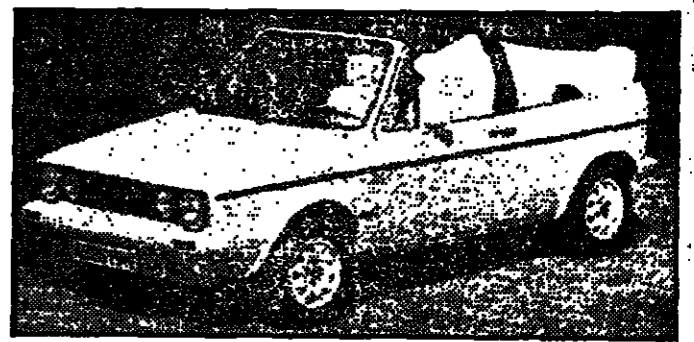
It was flat out at 130 mph, the top end of its performance lopped-off by emission control equipment of the kind that Europe could well have by the 1990s. Nissan's claim of 155 mph for the British specification car seems reasonable enough because the 300ZX Turbo's all-new 3-litre V6 puts out a silky 228 horsepower at 5,400 rpm. The car is aerodynamically efficient, weighs 28 cwt (giving it 163 horsepower per ton) and is high geared. These are the right ingredients for effortless high performance with reasonable economy, as the 30.7 mpg consumption at a constant 75 mph shows.

Not that buyers of £16,996 turbocharged two-plus-tos are particularly concerned with squeezing the last mile out of every gallon. The 300ZX Turbo is for people who enjoy fast driving but insist on relative silence and total comfort. It is directly descended from the Datsun 240 of the early

1970s that took over the United States sports car market from the MGB and which led to the 260ZX and 280ZX in turn. More than 1m of these models have been sold, making them the world's most popular sports cars.

Two kinds are now available in Britain. The Turbo, with 5-speed manual transmission only, has a deep air dam, all-black exterior trim and an extra air intake on the bonnet to distinguish it from the non-turbocharged 300ZX, which is offered as a manual or automatic at £14,349 and £14,776 respectively. Fifth is an overdrive for long-legged cruising and the gearbox has its own oil-cooling radiator. The all-independent suspension gives a fairly firm ride and the 300ZX's taut cornering and nimble handling is helped by shock absorbers that may be adjusted to three degrees of stiffness as you drive. All-disc brakes are powerfully servo assisted; a 5896 anti-lock system will be available soon. So will air conditioning, which costs £1,050.

The 300ZX Turbo's ancestors were fairly hairy beasts, with a great lump of a straight-six engine. Normally, the 300ZX is supplied with a minispare. They are thought to be illegal in Britain; though no-one really knows for certain, so we get a full-sized alloy wheel and spare tyre. By the time the spare wheel and the two Tarza roof sections are stowed away, there is virtually no boot room for anything else. Most owners, I suspect, will use the rear seats for luggage, not people. The non-turbo 300ZX will have a version of the Dunlop TD tyre with full run-flat capability. Like the Fulva.



There is nothing like a sunny spell for quickening interest in convertibles, which look gloomy when closed up, inviting when the top is let down. This week, Volkswagen announced the reintroduction of its well liked all-white Golf Convertible in response to customer demand. It was originally planned as a limited edition but the batch of 400 made early last year sold out within weeks. So did a second batch later in the year. No VW has run off another 400 of them. Everything about the car except for the grille, some interior trim and roll-over bar is white. Powered by a 1.8 litre fuel injected engine, the white convertible is good for 108 mph, goes from 0-40 mph in nine seconds and yields 33 mpg overall. VW, bolder than Nissan, fit a minispare to make more room in the boot. Lack of luggage space is the convertibles' curse. At £8,997 the white convertible is only £18 more than the standard Golf GTI soft top. There is a 1.5 litre engine GL for £8,150—but not in all-white finish.

Landlubbers' guide to islands

ALL GREEK islands are not the same, and the holidaymaker looking for a single cruise trip rather than a cruise should shop carefully. They vary considerably in size and facilities. Some traces of the old island lifestyle does linger in such Ionian locations as Ithaki and Kythira, or Skyros in the Sporades. Those looking for something more lively than leisurely island-staying can head for Mykonos and Patos in the Cyclades, the jet-set Saronic island of Hydra or the bustling Kos in the Dodecanese.

The big islands, Corfu, Crete and Rhodes offer a range of attractions; with Corfu, the most northerly the best for vegetation and the other two for history. Most of the islands are big and small, with the big at the base of the Mediterranean, the small of the Aegean. These are not giant goats that bother you at night, they are Hondas.

NORTHERN AEGEAN: Thasos is scenically surprisingly lush, with huge areas of pine. The beaches are good and sandy on the south coast, not so hot near the main town of Thasos itself. Samothrace is fine if you like museums and mountains. Limnos has an airport, but don't let that put you off. There are some good beaches, a price you mostly pay for uninspiring scenery otherwise, and the main port of Myrina is a pleasant spot. Still a quietish retreat.

EASTERN AEGEAN: Lesbos is a bigish island that is less popular than its image suggests. The beaches are not up to much but the scenery is varied and it is easy to escape such crowds as there are. The main tourist centre, Mytilina, is a lively little spot. Chios is heavily populated with lots of old-fashioned villages. Super for atmosphere, terrible for beaches. Samos is another goodly for atmosphere and has a much greater all round appeal than Chios—pretty ports, museums and a general feeling of really being in Greece.

THE DODECANESE: Patmos is small, pretty and unspoilt. Craggy hills unbothered by vegetation stand above fertile valleys. Chora is a wonderful little white village. It can be difficult to find rooms and spec. Kalyianos has a spectacular scenery, some shade. Do not expect a lively night life. For that try Kos to the south, which has super beaches, but if you are into that sort of thing Mykonos is nearer.

THE CYCLADES: Fios has a superb view, to avoid some of the worst excesses of its neighbours. It is still a

spot for Greeks (avoid late March and mid-August) it boasts dozens of little village communities, plus 600 doves. Mykonos draws the eighties poseurs as St Tropez did in the sixties—except that there is a slight difference in sexual proclivities. It is a pity for the island deserves its attention. The food is better here, but the prices are higher too. Naxos does not boast much more than super beaches and impressive scenery, and what's wrong with that?

Andros is one of the nicer mid-sized islands although the arrival point is a let-down. Not much to do but enjoy the scenery which is varied and, after rain, green. Paros is a bit too close to Piraeus for comfort and the student set tends to arrive en masse. It is a busy place spoilt by the high season crowds. Situated next door, has somehow missed the crowds and is a better choice if you want a quieter location nearer Athens. Santorini is an extraordinary volcanic island with memorable views. It is very popular with cruise ships and a bit too targeted at tourists. A nice place to visit rather than stay. Milos, another volcanic wonder is less dedicated to tourism and has better beaches. Ios, the classic Greek barren island, has good beaches and a lively night life.

THE SPORADES: Skyros attracts the youthful set eager to find the real Greece. What they do find is one long good beach and a chance to see Rupert Brooke's grave. Skopelos is a land of pine hills and chapels. It has deliberately chosen over the years to stay exclusive. It can be difficult to find rooms in this pleasant retreat as a result. Skiathos is also pretty, but busier. It has super beaches but its Greek accent is rapidly disappearing.

THE SARONICS: Poros is a weekend retreat for Athenians, pretty enough but unexciting. Hydra, similarly, has lots of tavernas but no beaches of note. Agistri is another spot for a good time but it does also boast the Temple of Aphaia. Spetses has lots of Britons. All the islands here can be seen and not stayed in.

THE IONIANS: Lefkas has splendid craggy scenery and a solid Greek earthiness about it. This is much more the real Greece than the whitewashed pristine port of Mykonos. Kythira, much to the south, has a coastline which deters visitors, so it is just the spot if you want to avoid tourists who only go to soak up sun, wine and packaged culture. Zakynthos is much busier. It is

Holidays and Travel

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BOOKS

Second sex

BY A. L. ROWSE

The Weaker Vessel: Woman's Lot in Seventeenth Century England

By Antonia Fraser. Weidenfeld and Nicolson. £12.95. 544 pages

Family Life in the Seventeenth Century: The Verneys of Claydon House

By Miriam Slater. Routledge and Kegan Paul. £10.50. 209 pages

Women in the 17th century were decidedly the "Second Sex"...

It is curious that neither lady quotes Shakespeare's classic summing-up of the situation in The Taming of the Shrew...

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Marriage was the lot, as well as the end and aim of practically all women in that age...

Buckingham's family, on whom James I doted. These marriages often turned out as well as, if not better than, those based on romantic notions...

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A woman's place was not always in the home in seventeenth century rural England

and ecclesiastical courts. Or take the extraordinarily intimate evidence recorded in Simon Forman's Case Books...

Spanish phoenix

BY HUGH THOMAS

Spain: Change of a Nation by Robert Graham. Michael Joseph. £14.95. 326 pages

The democratic transition in Spain since Franco's death in 1975 has been one of the few great political successes of recent years...

The peaceful transition might not have occurred. All the evidence is that Franco never relented in his contempt for political parties...

marked absence of vengeance in Spanish politics since 1975. Francoism could probably have prolonged itself, even though, no doubt, the ultimate collapse might have been very unpleasant...

Mr Graham ends on a slightly gloomy note about Spain's chances in the European Community...

Fiction

Young and old peer groupies

BY ISABEL QUIGLY

182 Janine by Alasdair Gray. Cape. £8.95. 5 pages

he Suburbs of Hell by Randolph Stow. Secker and Warburg. £7.95. 167 pages

Alasdair Gray treats the novel as a container for pretty well anything...

I Can Feel It Moving by Guy Kenaway. Quartet. £7.95. 187 pages

Rose of Jericho by Rosemary Friedman. Gollancz. £8.95. 233 pages

really technical innovation—it's been done often enough—but the reader expecting narrative, recognisable chronology...

mainstream novel may have a feeling that the material is simply flung down, then a bicycle is ridden across it.

Alasdair Gray is also a graphic artist and very meticulous, too, are his illustrations to the Unlikely Stories...

he is: description, landscape, seascape, townscape, atmospheric scenes, odd characters.

Still, there's a great sense of a real small town, a real fishing port, where life centres on the pubs and friendships...



Rosemary Friedman: widow's cruise

ready if transatlantic eye has plenty to see and report. Rosemary Friedman's Rose of Jericho is a thorough charmer...

Charismatic Ken

BY ROBIN PAULEY

Citizen Ken by John Carvel. Chatto and Windus. £8.95 (£2.95 paperback). 300 pages

Ken Livingstone has an abundance of two of the most vital attributes of a successful politician: he is a natural rather than tutored performer...

of 1960s legislation on urban transport outlawed the GLC's widely-praised cheap fares programme and turned Livingstone into a Good Thing overnight.

BOOKS OF THE MONTH

Announcements below are prepaid advertisements. If you require entry in the forthcoming pages, application should be made to the Advertisement Department, Brackley House, 10 Cannon Street, EC4A 3DF. Telephone 01-248 8000, Ext 7064.

OPEC and the World Oil Market 1973-1983 by A. H. El-Morshedy, D. Hawdon, C. Robinson, P. J. Stevens. Surrey Energy Economics Centre. Provides an up-to-date assessment of OPEC's role in the world oil market in the 10 years following the oil crisis of 1973. ISBN 0-94819-04-X Price £5.50 net. Eastover Publishing Ltd, 23 Old Bond Street, London W1X 3DA

Approaches to Participation in Rural Development by P. Daley and D. Marsden. A WEU Study. Contrasts two interpretations: outsiders' monitoring participation in activities determined from outside; and "empowering" power relations to like independent collective action. Outlines elements to analyse theory and practice of participatory approach to rural development. ISBN 0-2-103594-8 International Labour Office, 96/98 Marsham Street, London SW1P 4LY

Fishermen on the Kerala Coast: Demographic and economic impact of fisheries development project by Leslie Glantz, Wagner, Mwak and Development Series No. 8. Reports on the economic and demographic impact of major technological changes in inland fisheries of women from fishing households. It combines macro and micro-level methodological techniques with national data. ISBN 0-2-103626-X International Labour Office, 96/98 Marsham Street, London SW1P 4LY

Quality of Working Life in International Perspective by Y. Yamamoto and S. Okazaki. Historically and internationally examines the search for improved quality of work life. Provides information on national and divergent trends which is analysed in order to reveal attitudes and perceptions. ISBN 0-2-103402-X International Labour Office, 96/98 Marsham Street, London SW1P 4LY

Craftsmen in Kerdassa, Egypt: Household production and reproduction by P. Lynch and H. Fahmy. Women Work and Development Series, No. 7. Shows the needs for further investigation into the nature of relations within domestic groups and links with the division of labour, resource allocation, fertility levels and acceptance of family planning. ISBN 0-2-103626-X International Labour Office, 96/98 Marsham Street, London SW1P 4LY

Unemployment: Policy Responses of Western Democracies edited by Henry Richardson and Roger Henning. Contributions explore the measures taken in Germany, France, West Germany, Sweden, Denmark, Ireland to solve unemployment. The problem is examined from political, economic, and social perspectives. ISBN 0-2-103626-X International Labour Office, 96/98 Marsham Street, London SW1P 4LY

Youth Employment and Training in Developing Countries: An annotated bibliography by O. Corvalan Vasquez. This annotated bibliography covers from 1970 to 1982. Divided in 11 sections dealing with various aspects of youth employment and training. Provides background information on setting up youth endowment policies. ISBN 0-2-103626-X International Labour Office, 96/98 Marsham Street, London SW1P 4LY

The Programme Approach by Richard Rose. Contains a wealth of ideas and data about the size of government in the UK, USA, Continental Europe and Scandinavia. By systematically analysing the growth of government programmes from the 1950s to the 1980s, the book provides a firm foundation for identifying future trends and problems. ISBN 0-2-103522-0 C16.00 ISBN 0-203-3775-5 £7.50 SAGE Publications, 28 Banner St., London EC1Y 9QE

Nasty medicine

BY CARLA RAPOPORT

Corporate Crime in the Pharmaceutical Industry by John Braithwaite. Routledge & Kegan Paul. £25.00. 448 pages

Mr Braithwaite, an Australian criminologist and former Fulbright scholar, conducted a total of 131 interviews for this book, 75 in the U.S., 15 in Australia, 10 in Mexico, nine in Guatemala and two in the UK.

equivalent products and services world-wide. Less sensibly, Mr Braithwaite makes unusual claims such as "dependence on Valium or Darvon can have consequences just as frightening as heroin addiction."

Advertisement for Collins Crime Club featuring Marjan Babson (A Trail of Ashes), Eric Wright (The Night The Gods Smiled), and Carol Clemeau (The Ariadne Clue).

Handwritten signature or note at the bottom of the page.

HOW TO SPEND IT

by Lucia van der Post

Gardens are for living in

ACCORDING to the manager of the garden furniture department at the John Lewis partnership group (and what better source to feel the pulse of Mr. Everyman?) this really is the year of the garden. From little plots in Shepherd's Bush to grand gardens in the shires people have begun to use their garden more and more as if it were an extra room. Last year's summer taught us that we could do more with them than just look and sit and admire—we could also, if we planned it carefully enough, use them as an extension of the house.

So, it appears that Mr and Mrs Everyman are rushing in their hundreds to furnish the garden. But, according to John Lewis, they seldom think about it carefully enough and even more seldom are they given good advice. Garden centres, for instance, tend to do fantastic business, particularly at Bank Holidays, by using the old principle of piling 'em high and selling 'em cheap.

What potential buyers should

really be concentrating on is not the colour of the stripes or the pleasantness of the florals (though, of course, they do matter) but how it will wear, whether it will rust or not, and where, if necessary, it can be stored.

Garden furniture divides naturally into roughly two main groups—furniture that is not designed to be left out in all weathers and furniture that is. Completely weatherproof garden furniture generally comes in three materials—solid teak (usually Burma teak), cast aluminium, and now there is a new generation of designs made from resins ("a classy name for plastic").

John Lewis is currently very proud of the latest range of resin furniture—exclusive to the Partnership in this country, but it is not particularly cheap, but it believes it to be good value. It really will last and not just hang together, but also keep its looks. The frames are made from synthetic resin and they are held together with stainless

steel screws (which won't rust—beware, says John Lewis, of chrome-plated ones which will eventually rust).

The whole range is called Stripe 22 for the fairly obvious reason that the fabric used is a combination of pastel stripes (pink, blue, white, grey) and all the cushions are described as machine-washable though you'd have a hard job fitting the sun-lounger cushion into any machine I've ever seen (nonetheless, as John Lewis soothingly points out, the fact that it is machine-washable means you can sponge it down easily).

If price is more important than anything else then look at John Lewis' own range—called Esme (for no discernible reason that I can fathom), it is exceedingly well-priced (chairs are £21, a round table is £29.50, reclining chairs £49 and a parasol is £27) and the fabric is floral in soft-pastel colours. It should not be left out all the year round but if the white plastic coated steel frames begin to deteriorate

they can be touched up with enamel paint.

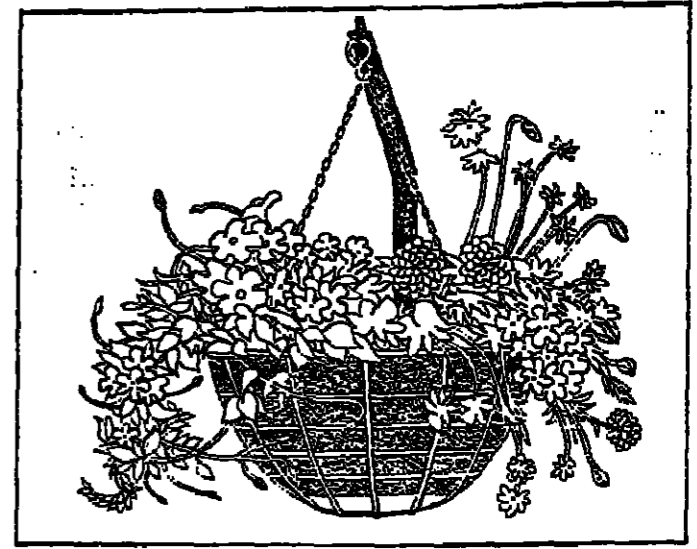
For classic deck-chairs in striking colourings it would be hard to beat Harvey Nichols' newest collection from Italy—folding versions with arms have wooden frames painted white or black and the fabric slung between comes in bright primary colours. All are £25.95 and can be sent by carriage.

Go to Harvey Nichols, too, for folding and stacking chairs, just right for parties or for easy storage. There are plastic folding chairs with frames in primary colours and clear, translucent seats at £11.95 each or red enamelled metal grid chairs with lattice seats at £7.50 each. They, too, can be sent by carriage.

I prefer the kind of natural colourings that blend into the scene. English garden colours and a classic, inexpensive range is the woven French chestnut tables and chairs that the Conran Shop, 77-79 Fulham Road, London, SW3 carries every year—chairs £25.50 and small round tables, £45.50.



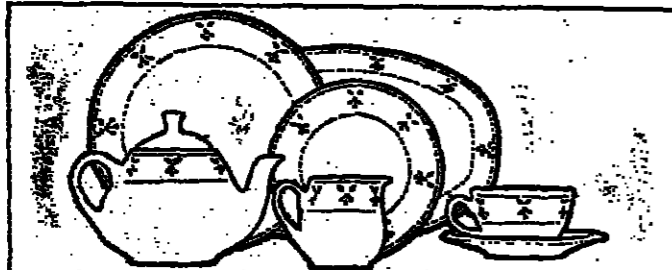
Drawings by Michael Daley



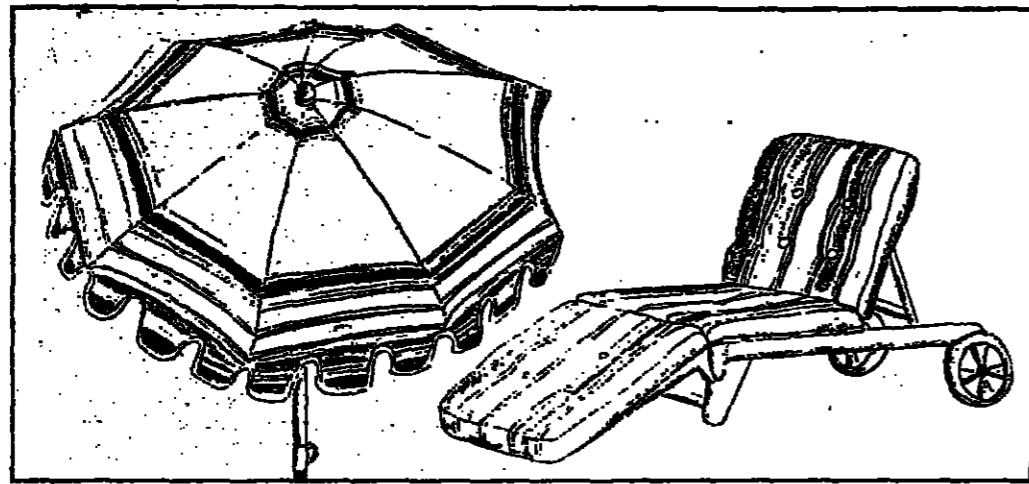
Whether you own a little urban patch, a large garden or even just a window-box or two, The Country Garden catalogue is bound to have something in it for you. It is one of those small, packed booklets full of every contrivance for outdoor living that you ever thought of and several you never did. Through it you may order an elegantly plain teak garden seat, a collection of miniature roses (5 for £2.95), a Wellington boot scraper (£2.95) or an insect trapping lamp (for £24.95) to keep those outdoor evening meals scratch-free.

Each year The Country Garden changes and develops—many of the suggestions come from customers themselves and those who have traipsing round garden centres and furniture stores may buy almost everything they need by filling in the order form or even more simply by just lifting the telephone. For a catalogue send a 16p stamp to The Country Garden, Bins Close, Coventry.

Sketched here are just a few of The Country Garden offerings. Left are some of the garden containers (there are more elaborate, though to my eyes less pleasing ones if those are more to your taste) for those with patios to adorn—sketched top is the Minoan pot, one of a range of hand-thrown terracotta pots, all made in England, and all frost-proof. The Minoan pot is a simple, classical design, measures 14 ins in diameter, 11 ins high and costs £13.95. Below it is an Elmwood tub, again made in England, 16 ins in diameter and costing £13.95. Finally, sketched at the bottom is a herb pot, also made from frost-proof terracotta. It is 9 ins high with an open top and six apertures for growing herbs—£6.75. Sketched above is one of a pair of cottage hanging baskets—made from plastic mesh in a garden-coloured dark green, it is 12 ins in diameter and a pair costs £4.95.



For summer outdoor living nobody wants to use their finest china or best cut-glass. The Reject Shop's leaflet featuring its suggestions for the carefree summer life shows some enchanting and sturdy dishwasher proof china. Called Chantilly, it features a white background, a charming red berry flower interspersed between two simple blue bands. Very inexpensively priced at £1.75 for a teapot, £1.45 for a sideplate, £2.45 for a dinner plate, there is also a teapot (£8.95), an oval serving dish (£4.89) and a cream jug (£3.55). There's lots of inexpensive cutlery, too—cream-coloured "Ivory" handles—a spoon, fork and knife are all 99p each, while a teaspoon is 89p. For summer drinking, there are packs of six simple tulip-shaped glasses £7.14.

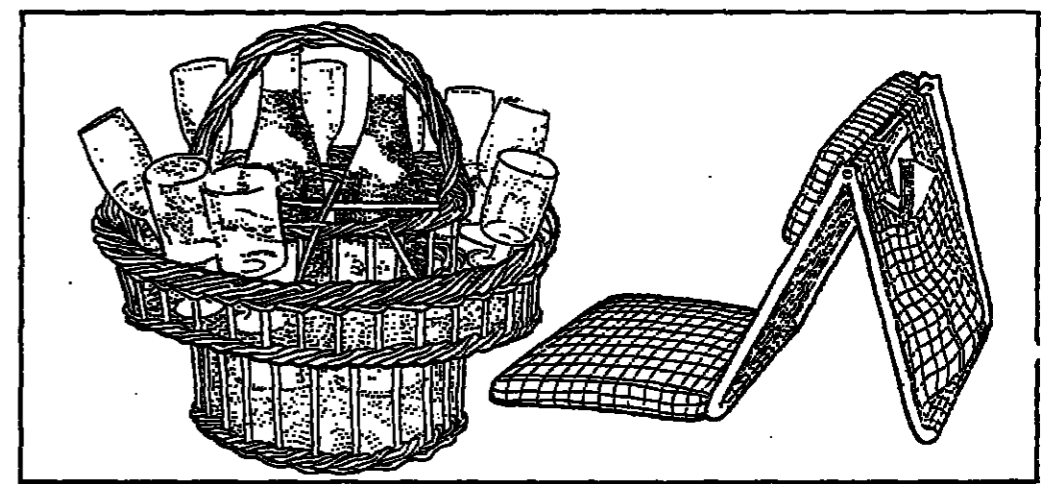


Two pieces of furniture from the John Lewis range of Belgian Garden furniture specifically designed to be left out of doors all year round (if you wish, or have nowhere else to store it). Made from synthetic resin there is just one fabric—a pastel stripe (hence the name of the collection Stripe 22) and all the cushions are guaranteed machine-washable.

Sketched here is the sun-lounger with wheels at £169, and the parasol, £49. Also in the range is an adjustable chair (the back reclines) for £89, a matching stool at £37, a round table at £85 and an oblong dining table which can extend to take up to 8 people at £195. There are useful folding director's chairs too, at £29. From all branches of John Lewis Partnership stores.



The Reject Shop (of which there are now 11 branches and whose merchandise less and less justifies the term "reject") has brought out a simple but clearly illustrated leaflet full of the basics we all need to enjoy life when temperatures soar. Nothing grand, nothing over-blown, just simple willow picnic baskets, brightly coloured paper plates and napkins, inexpensive garden furniture, plain towels in smashing colours, ice-cube trays, fish broilers and kebab spits. The leaflet is free from all Reject Shops and orders go to The Reject Shop, Units 23/24, Fulham Wharf, Townmead Road, London SW6. Sketched above is an inexpensive collection of garden furniture—don't expect it to last for ever but in good clean colours (light blue and dark blue stripes with white metal frames) it looks simple and attractive. The table is £23.50, the parasol £27.50, relaxer chairs are £35, high-backed chair £22.95 and sunbeds, £32.50.



More from The Country Garden—this time part of its range for those who are less keen on gardening than in relaxing in it. For those languid summer days we all hope are just around the corner, what you need is a drinks basket like the one sketched left—fill it up with bottles (it takes four in all) and glasses (there are partitions for 10) and you needn't move for a couple of hours at least. £12.95. If the days are hot and you like your wine cool there is a whole

series of wine coolers, ranging from a handsome green portable container which takes two bottles to a see-through Perspex cooler at £14.95. For lounging beside the pool (or the beach when on holiday) there is the beach relaxer sketched right—at £13.95 it offers not only a padded seat and back rest but the back has a pocket which holds magazines, sun tan lotion, sun glasses or whatever else you fancy.

Give yourself a sporting chance



MOST of us can well remember the days when every occasion had its uniform—dancewear was for dancing, cricketer flannels for the crease, boaters for boating and trackuits were just for athletes. Today dancewear has been supplanted by many a housewife for trailing round Sainsbury's, cricketer flannels are worn by those who wouldn't know a boater from a googly and as for trackuits, men, women and children have discovered that a more comfortable garment for general lounging about has yet to be invented.

For the coming summer the sporting look for men is very much the thing. Blazers, flannels, sports club ties, all with a nostalgic, traditional flavour, are to be seen sprouting in the best menswear departments.

For those who believe in going to authentic sources for such wear, rather than buying the more souped-up versions that the larger stores go in for, Kent & Curwen is a traditional company, dating back to the 19th century, which has gained a new lease of life in the wake of current fashion trends.

Purveyors of traditional cricketer attire to the English cricket party and of blazers and strip for the Ox-

ford University boat race crew, it now provides the self-same authentically sporty look to those with no such sporty affiliations. The look is classic, classy and very masculine.

There are wonderfully crunchy cricketer sweaters (see photograph right) either in pure wool or cotton, sleeveless or long-sleeved, with Kent & Curwen's own sober colours enlivening the V (either navy, yellow, bottle green and red or combinations thereof). £45 for long sleeves, £42 for slipover in cotton, £42 and £36 in wool. All are hand-framed and the trim on the sweaters co-ordinates with the colours of ties and other accessories.

Particularly desirable, I think, are the sweatshirts—quite simply the classiest ones I've seen. In thick creamy cotton, trimmed with bottle green and red or navy and red and sporting the Kent and Curwen logo (in plain cream and navy with a W. G. Grace figure batting), they are £39 each.

Classic all-wool blazers are £98 if single-breasted, £108 if double-breasted and there is a wide selection of badges to attach to the pockets.

Kent & Curwen has recently opened a shop at 39 St James's Street, London, SW1,

but it also wholesales its collection to other stores. Write to the company for mail order details.

Lovers of the traditional look should remember Alfred Dunhill of 39 Duke Street, St James's, London SW1—lightweight navy blue wool blazers, with an incomparable elegant look are £256.

For those who prefer a much more modern, less nostalgic look House of Fraser stores currently have an inexpensive and attractive collection of co-ordinating garments for wearing on holiday or at weekends. Called the Weekender collection there is everything from jogging suits to casual blouson-style jackets, T-shirts and sweatshirts, casual relaxed-looking trousers and shirts to match.

Schulten is a particularly good name to look out for—relaxed and easy to wear without being too outre in its designs. For those who are looking for attractive track or jogging suits the two photographed left are exceptionally reasonably-priced, very comfortable and they come in good colours—rust, jade and grey or yellow, blue and grey. Trackuits are £24.95, tops vary from £8.99 to £16.99, bottoms are £6.99 and shorts £5.99.



CHESS

LEONARD BARDEN

ANATOLY KARPOV served notice in the early rounds of the Phillips & Drew/GLC Kings at County Hall that he is in peak form as he builds up for the world title match in September. Karpov was soon among the leaders, and his brilliance against Timman will be quoted for years to come.

This afternoon Karpov meets Korchnoi for their first game—world title matches excepted—since Korchnoi defeated the USSR in 1976. Will they shake hands, will there be ride-ness at the board, will patzness at Dr Zulkhar fly in especially from Moscow? Even if all three answers are negative, a peaceful draw is unlikely. Play begins at 1.15, tickets are £5 at the door, and spectators should arrive early—many will want to watch.

While the public have eyes only for K and K, chess specialists are watching Lev Polugaevsky. Polu's book *Grandmaster Preparation* (Penguin) is a classic, but although at 49 he has been an active international

visit to Britain. Two fine Polu wins in the early rounds both featured rook attacks down the king's knight's file.

White: L. Polugaevsky (USSR); Black: E. Torre (Philippines).

Slav Defence (Phillips & Drew/GLC 1984).
1 P-Q4, P-Q4; 2 P-QB4, P-QB3;
3 N-KB3, N-B3; 4 N-B3, P-P3;
5 P-QR4, B-B4; 6 P-K3, P-K3;
7 BxP, B-QB5; 8 O-O, O-O; 9 Q-K2, Q-N-Q2; 10 P-R4, B-N3;
11 B-Q3, B-KR4; 12 B-KB4, R-R1.

So far this is an old analysis by Smyslov dating from the 1950s; Black is supposed to have equalised, but Polugaevsky shows that White's space advantage is significant.

13 P-K3, N-Q4; 14 N-N, B-P-N; 15 P-R3, B-R2; 16 KR-B1, P-QR3?

Here and next move Black's strategy is questionable. Better is 16...B-N3, to exchange light-squared bishops and leave White's remaining bishop restricted by the pawn centre.

17 R-B3, B-N; 18 QxK, N-N1? A decisive error. Obviously White is missing for a king's side attack, so Black should bolster his defences by B-B1, 19 BxP ch!

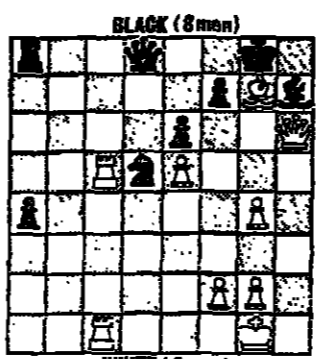
A rare form of the standard "Greek Gift" sacrifice, which normally requires the KR3 square free for a rook. The square is free for a rook. The

deep, is not hard to calculate since Black has few defensive options.

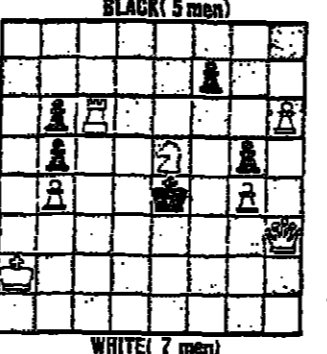
19...KxR; 20 Q-R5 ch, K-N1; 21 R-KN3, P-KN3.
If 21...B-B1; 22 B-N5, Q-Q2; 23 B-B6, N-B3; 24 Q-R6, 22 RxP ch! PxR; 23 QxP ch, K-R1; 24 Q-R6 ch, K-N1; 25 QxP ch, K-R1; 26 Q-R6 ch, K-N1; 27 Q-N6 ch, K-R1; 28 Q-R5 ch, K-N1; 29 B-R6, B-B1; 30 Q-N6 ch, K-R1; 31 BxR, RxB; 32 Q-R6 ch, K-N1; 33 R-R3, Resigns.

This technique of bringing the queen's rook into a king's side attack via QR3 occurs frequently and is worth remembering. Here it brings an immediate decision. The threat is 34 R-N3 ch, K-B2; 35 R-N7 ch, 36 Q-R6 ch and mate. If 33...Q-K2; 34 R-N3 ch, K-E2; 35 Q-N6 mate. If 33...Q-Q2; 34 R-N3 ch, K-B2; 35 R-B3 ch and mates.

POSITION No. 514
A. Karpov v J. D. Rhodes, London 1984. White to move: how did the world champion win quickly? This was the best finish from Karpov's simultaneous display against Phillips & Drew clients. He won 25 games and drew 5 in 24 hours, not a bad result for the P & D team compared with some other Karpov exhibitions where he defeated all opponents in an hour and a half.



PROBLEM No. 514
White mates in three moves, against any defence (by Dr Emanuel Lasker). This is among the very few problems composed by over-the-board world champions: White has a huge material advantage but the answer is a surprise.



BRIDGE

E. P. C. COTTER

MY TWO HANDS today come from *Bridge: Single Dummy Problems* (Robert Hale, £8.50), by R. J. Payne. You will enjoy this book, and you will learn from it.

Let us look at this deal from a teams-of-four match:

N. ♠K5 ♠87 ♠10874 ♠AKJ95
S. ♠J92 ♠AKJ63 ♠AKQJ942 ♠Q10843
E. ♠AKQ109542 ♠AKQJ962 ♠— ♠—
W. ♠— ♠— ♠— ♠—

At game all West dealt and bid one heart. North overcalled with two clubs, and East said five no trumps, the grand slam force. South competed with six spades. West said seven hearts, and North decided to sacrifice

Learning from others' mistakes

by bidding seven spades. East doubled, and all passed.

West led the heart three, an attempt to get East in to make his diamonds. The declarer ruffed, and thought things out. It was clear that East must be void of both spades and clubs, so South led his two of clubs, and when West produced the three, covered with dummy's five. After drawing three rounds of trumps, another club was played, dummy's nine was finessed, and the declarer returned to hand with a heart ruff. South's last club was led, another finesse was taken, and the Ace and King provided a home for the declarer's two losing diamonds—a plus score of 2, 470.

Not very difficult, you say—it was a double dummy problem. I agree, but you have overlooked something which was also missed by West. If the club two is covered by the eight, and the seven subsequently covered by the ten, West can duck when the six is played on the third round. This blocks the suit, because the declarer must win with the

King, and the five will not be good.

West was not the only sinner. South could have made certain of the contract by playing his seven of clubs at trick (two)—then all the clubs can be scored.

The next hand also comes from a team match:

N. ♠KJ8632 ♠— ♠AKJ5 ♠K62
S. ♠— ♠— ♠— ♠—
E. ♠954 ♠AKQ10987 ♠8632 ♠—
W. ♠— ♠— ♠— ♠—

West dealt with North-South vulnerable, and started with a weak bid of two hearts, North overcalled with two spades, and South bid four clubs. North now introduced a Blackwood

partner's response of five heart went six clubs. This was doubled by East, all passed, and West led the heart King.

The double of an uncontented slam bid has been rightly, if I eloquently, termed The Sucker Double, and this one proved to be just that. South ruffed the heart King in dummy, as warned by the double, did not touch trumps. He crossed his Ace of spades, cashed the diamond Queen, ruffed a second heart, and cashed the diamond Ace. Now he discarded diamond on dummy's spade King, and led the King diamonds, ruffed by East, an over-ruffed by South. A hec was now ruffed with the club King, and the diamond King was ruffed and over-ruffed, this stage declarer held the Queen, ten of clubs and the Knave of hearts, while East held Knave, nine, seven clubs, and the spade Queen. South cashed the heart Ace with the heart Knave and claimed the last two tricks.

A foolish double shows the declarer the right way to play the hand.

Keyboard concertos

The series of Mozart concerto performances that Malcolm Bilson, fortepiano, and the English Baroque Soloists under John Eliot Gardiner have been giving at St John's, Smith Square is being preserved by Archiv records. The first of a projected cycle, containing the E flat, K271, and F major, K413, has recently been published (DG Archiv 410 903-1; also on cassette and compact disc), and further instalments are scheduled at intervals until 1987. This is not the first attempt to record the Mozart keyboard concertos using instruments of a kind and number appropriate to their period; but it is certainly the most scholarly, most fascinating, and most comprehensive so far. And, insofar as the "sound factor" of any performance can lead the listener to the heart of a creator's artistic intentions, this first Bilson-Gardiner record counts as essential listening for all Mozartians. It is that, simply in terms of instrumental

interpretation stops well short of its potential — there's more to Period Mozart, and surely more to Bilson-Gardiner, than we hear on this record. For record reviewers the debate is neatly prolonged by the concurrent flow of modern keyboard concertos on modern instruments. Each of the remaining three is an episode, early or late, in its pianist's Mozart cycle. Vladimir Ashkenazy (Decca SXL 7010, also cassette) and Murray Perahia (CBS 37524, also cassette), both directing from the keyboard as is now their wont, couple the same two concertos — the bubbling K450 in B flat and the rather more formally ceremonial K451 in D. After Bilson it's inevitable that the solo-tutti balance should seem unwieldy. Though it is a reduced-format Philharmonia that Ashkenazy leads, he and the Decca engineers sacrifice intimacy; Perahia, the English Chamber Orchestra, and CBS do rather better in this respect, yet even here one misses a sense of natural proportion between material and means.

RECORDS MAX LOPP

balance achieved without perceptible microphone "assistance"; for everything is exactly in scale. The forte-piano doesn't have to be damped down, Steinway-style, to avoid swamping the other instruments, but can charge its way above them, with dramatic effect heightened — the audacious brilliance of K271, one of the young Mozart's single Great Leaps Forward in a single work, is newly perceived when its ideas can be presented as an intimate battle of wits between opposing forces of matched powers. All the same, there's a disparity between the intense pleasure thus provided, and a feeling that the works are being scrutinised, re-thought, and interpreted to their utmost, or to that of the players. These performances may not be among those Early Music documents regarded by its instigators "as texts rather than acts" (to borrow a distinction from the lively debate, "The Limits of Authenticity: A Discussion," in the current issue of Early Music); there is much "re-creative" keyboard tracery by Bilson, and a suitable counterpoint in the accompaniment. But in the great C minor lament that forms the Adagio core of K271, and in the elusive delicacies of the equivalent movement in K413, I feel that the

The baton charge — orchestras prepare for the challenge

This should be the sleepy mid-season for the four major London orchestras as, stuck in their annual routine, they try and balance out the loss-making concerts which keep them in the public and critical eye with the lucrative recording and touring work which ensures their survival. But suddenly the frenzied lives of their musicians has become even more tumultuous. Last month the Arts Council announced that it was cutting their aid for next year by £285,000, or a third, which in effect means that the London Orchestral Concerts Board may be able to subsidise only three of the four orchestras. As a sweeterener the council promised generous support if one of the four set up in Nottingham and became an east of England orchestra but neither Nottingham, nor any orchestra, has shown any enthusiasm for what now looks a doomed initiative. On top of this the orchestras find themselves participants in the GLC's decision to go down, if it must, in a blaze of glory. They have each (LSC apart) been given by the GLC around £30,000 to spend on approved promotional schemes, and these have already proved successful in boosting audiences. The RPO used its money to subsidise the coach fares of new concertgoers from districts as outlying as Norwich and Exeter to good effect. The LSO has had a GLC-aided radio advertising campaign for its Beethoven concert, which ended on Thursday, which produced capacity audiences. Taken with the more intensive marketing of the South Bank by the GLC, audiences at the Festival Hall have picked up markedly since the New Year. In February they were 14 per cent higher at 73 per cent and in March there was a 4 per cent gain to 66 per cent.



Claudio Abbado with the London Symphony Orchestra at the Barbican

Although box office constitutes a relatively minor part of the revenue of the big four orchestras the higher attendances are good argument to challenge the LSC's austere cut-back. It was originally thought that the LOCB would just withdraw subsidy from one orchestra. Now it may reduce its aid to all four by roughly a quarter. Since the London orchestras rely only on subsidy for around

and early starts, will be dropped. "Not all will be '1812' and 'Beethoven's 3rd', the LSO is looking for £40,000 in sponsorship to underpin a 1985 festival devoted to Mahler and his contemporaries. Judging by its success among arts organisations in attracting sponsors, who contributed £586,000 to its £4.5m annual turnover in 1983-1984, the LSO might make it

66 per cent). The orchestra intends to use its GLC money to promote next season's subscription scheme in September. The RPO's problem is to combat rumours that because it has marketed itself commercially with great effect in recent years it could lose the loss of its LOCB subsidy. It probably could, but it feels success should not be penalised. Like the other orchestras it is trying to be more populist in repertoire and in attracting a new audience, and the arrival of André Previn as its principal conductor next year should assure its future.

Antony Thornecroft on pressures facing the capital's musicians following cuts in their subsidies

12 per cent of their income a reduction by this amount should not threaten their survival. And, of course, the GLC has stepped in with a promise to make good the Arts Council reduction for at least as long as it survives. But the orchestras face more immediate challenges than the threat to their subsidy. The LSO, for example, is in the process of evaluating its position as house orchestra at the Barbican, and is negotiating a new contract which will radically change the relationship. Basically, the LSO is dropping the idea of three one-month seasons, sold on subscription. From next January it will instead perform in the concert hall once a week on a Thursday, throughout the year. In addition there will be popular seasons at Christmas and in the summer. In effect the ideas that work commercially, like the lunch time concerts and the seasons aimed at school-children, will be continued, but the attempt to import the New York idea of repeat concerts as well as subscription seasons

although the price will be a more popular repertoire. It has already succeeded in reducing its losses at the Barbican where its audiences last year were 55 per cent of capacity. For the Philharmonia the immediate challenge is making good the disappearance in July of the Du Maurier sponsorship, which at its peak of £200,000 a year was the biggest of its kind in the UK. Fortunately the aid went towards selling the Philharmonia concerts on subscription and this has boosted its attendance at the Festival Hall to 80 per cent of capacity in 1983-84, way above its three rivals (the RPO comes next at

Special fund-raising concerts planned to save Wavendon Allmusic Plan

A special summer season of concerts has been arranged to raise funds for the threatened Wavendon Allmusic Plan, the charity founded by John Dankworth and his wife, also Dame, and housed in the grounds of their home near Milton Keynes. Earlier this year it was

announced that WAP was facing financial crisis and its future was in doubt. Following publicity of the threat there was to quote John Dankworth, "a quite startling response," both from members of WAP and organisations and institutions in the Milton Keynes area. Colonel Gadafi. How would he have felt if the Libyan gunman had killed some of the Libyan demonstrators, as he presumably meant to, instead of accidentally killing one policeman? More phoning-in, about the problems of parents with drug-addicted children, was well dealt with by medical and psychiatric advisers. Very different was an argument where a hysterical Victoria Gillick took on some doctors and other experts on teenage sex-lives, about prescribing pills to teenagers without telling their mothers. Mrs Gillick incessantly shouted down anyone who wanted to voice an opinion different from hers. We also had the News and the Morning Story and the Act of Worship, as if we were listening to an ordinary Radio 4 morning. Richard Baker presented it with all his usual charm, but he couldn't persuade me that each constituent of the Rollercoaster mightn't as well be presented separately, as on Monday, Tuesday, Wednesday and Friday. Housewives and motorists would make up most of the listeners, presumably, and surely even they would be glad of an occasional break in a three-hour non-stop programme — not to mention a

On the rollercoaster

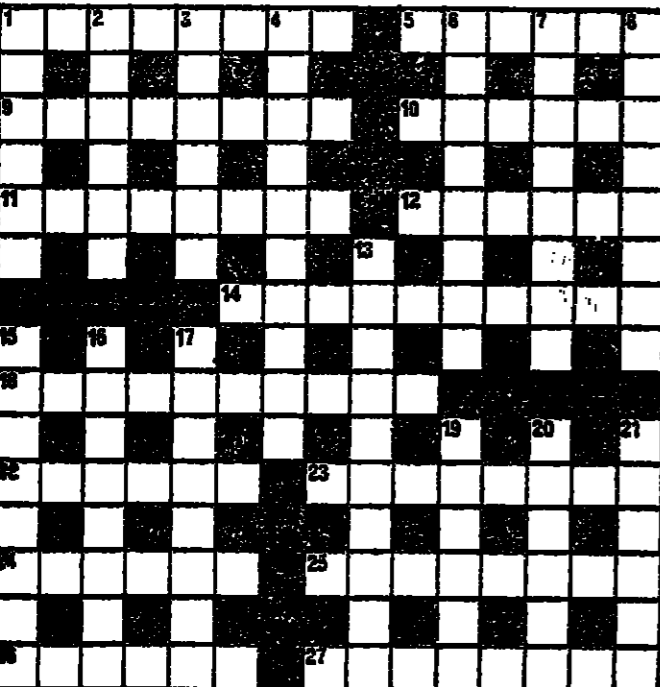
More than anything this week, I enjoyed Walt Whitman's "Myself and I," read by John Holmstrom, and billed in the Radio Times as Interval Reading at 11.45 on Sunday. As a poetry reader, John Holmstrom ranks with John Gielgud and Robert Eddison, both for intelligence and for music. I go back to Thursday of last week for notes on Radio 4's Rollercoaster. This is the only one I've heard uninterrupted throughout and likely to stay in it, not all-intentional. The initial chat included hints on how to phrase inquiries to phone-ins, illustrated with some astute parodies. Came a real phone-in on the Thursday Exchange, about the Libyan war, and the phoned-in callers were exactly like the parodies, only not so funny. Among those there to offer expert opinion was a Tory MEP called Dicks whose enthusiasm for ignoring the Vienna Convention bracketed him in my mind with

schedule that would warn them of the approach of Able Seagull Herring. Radio 4's answer is Roland Rat. On Sunday, Radio 3 gave us Who Is Sylvia? — not by Terence Rattigan but by Stephen Dunstone, joint winner of the 1982 Radio Times award for a new radio play. His play is clever, amusing, pathetic, thoughtful, original and perfectly conceived for radio transmission. It is based, I suppose, on Dr Janet Barker's paper 'The Physiology of Diurnal Rhythms', in which she tells how, to investigate the cause and nature of the built-in rhythms to which all animals work, she cut off a cockroach's head, grafted another cockroach upside down on its back, with its legs cut off, and waited to see whether the combined monster would keep to the schedule of the lower or the upper half, the two having been trained to follow different programmes. (They developed malignant tumours.) Mr Dunstone takes two lines, first, the fate of the anthropomorphic cockroaches Henry and Angela and their family, second, the affairs of the biologists at work on them. Needless to say, he finds parallels; but if I were to start telling the plot I should fill the rest of the page. The cast included Michael Aldridge and Martin Jarvis (human) and Nigel Hawthorne, Anna Massie and Frances Carter (cockroach). The director was John Tydemann. Radio 3's Monday Play was a fair bit of writing too — Gony On, by Manveen O'Brien, a full-length portrait of a selfish old woman who has bullied her husband, her sister and her daughter all her life and still, in her old age, resents anyone showing her any kindness. Patricia Hayes played the old lady, Manveen O'Brien (yes, the same one) played the daughter as a grown-up woman, Mary MacLaughlin the daughter at various earlier moments in her life, and Arthur Kelly her husband — whose devotion to his church choir perhaps accounts for the director, Shaun MacLaughlin, using Bach to divide the scenes. I admired the playing and I admired the play, but it isn't the sort of play I'd readily give up an evening for. Far happier with the cockroaches.

RADIO R. A. YOUNG

For light-hearted listeners around the globe, the World Service has a soap opera, London Royal. It's about a smart hotel with smart proprietors and potential trouble among the staff and their customers — Crossroads without the pictures, in fact.

F.T. CROSSWORD PUZZLE No. 5,409



A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4P 4BY. Winners and solution will be given next Saturday.

Name Address

ACROSS 1 Air-supplier on northern lines—plenty going round tube (8) 2 Changes smocks (6) 3 Hell, Iowa is no good for blubber product (5-3) 4 Quarrel, pretty low in Wind- scale (8) 5 Draws back from having ex-president canonised in retirement (8) 6 Hurt as one goes diving? (6) 7 Strange if G. Orwell about rights could be Eliza emerging (6-4) 8 History expert and top lodger once (10) 9 Tenders for body of railmen at points (6) 10 Pip elbow + bend in g. unpleasant dart-thrower (8) 11 Alarm-bell, sounding like poison (6) 12 Get word in thus, in side-streets (8) 13 Great wealth on Mars, potentially (6) 14 It often holds two lying—or one lying (8) DOWN 1 In New York, violinist takes on Szymanowski's third (6) 2 Greek social-workers give cash allowances (6) 3 Refrigeration factor in cinema production? (6) 4 Paul, for instance, got mice-pieces to roll (10) 5 Cow, English, in favour of going into herd (8) 6 Off-centre if demented (8) 7 He saves nothing and collapses in France (8) 8 Resolved battler trapped the French between two rivers (10) 9 Shelf-life, here? (8) 10 Piece of China shown in crazy cartoons (8) 11 Rash MEP, I go it a revolutionary way (3) 12 "Drugs net"—cry amidst-ships (7) 13 Motorway madness is merely an illusion (6) 14 Skilled, having set feet? (6) Solution to Puzzle No. 5,408

Indicates programme in black and white

BBC 1 6.20-8.25 am Open University. 8.45 The Saturday Picture Show. 10.05 "Barney and Me". 10.25 Sid Caesar, Juliet Mills. 12.27 pm Weather. 12.30 Grandstand including 12.55 News; Football Focus (12.35); Snooker (1.00, 4.25) The Embassy World Professional Snooker Championship from Sheffield; Racing (1.25, 1.55, 2.25); Synchroiser Swimming (1.40) from Crystal Palace; Rugby (2.10) The European Championships from Belgium; Rugby League (2.40) Wigan v Widnes; Final Score (4.50). 5.03 The Dukes of Hazard. 5.55 News. 6.10 The Action Film: "Airport 77". 8.00 Eurovision Song Contest 1984 Live from Luxembourg. 10.30 News and Sport. 10.45 Saturday Late Film: "The Bounty Hunters" starring Yul Brynner, Dean Reed. REGIONAL VARIATIONS Wales — 6.05-6.10 pm Sports News Wales. Scotland—6.05-6.10 pm Scoreboard. 10.45-11.00 Sportscentre; Football. 11.15-1.00 am The Late Film: "The Mephisto Waltz" (1971) starring Alan Alda, Jacqueline Bisset, Barbara Parkins. Northern Ireland — 4.55-5.05 pm Northern Ireland Results. 6.05-6.10 Northern Ireland News. 12.30 am News Headlines. BBC 2 6.25 am-8.10 pm Open University. 3.10 Saturday Cinema: "Paco" starring Jose Ferrer, Allen Garfield, Pancho Gomez. 4.45 The Sky at Night: "New Life for Solar Max". 5.05 World Snooker: The Semi-finals of the Embassy World Professional Snooker Championship from Sheffield. 6.25 The Million Dollar Motor Car. 7.00 News and Sport. 7.15 World Snooker. More snooker from Sheffield. 8.00 The Morte d'Arthur by Sir Thomas Malory. 9.25 World Snooker. Rugby Special: The Middlesex Sevens from Twickenham. 11.33 News. 11.35-12.40 am World Snooker. SOLUTION AND WINNERS OF PUZZLE NO. 5,403 Mr Timothy Moore, 9 Dartmouth Park Road, London NW5. Mr Nigel Fletcher, 8 Sunfield Drive, Royton, Oldham, Lancashire. Mr John Newton, Swiss Cottage, Gravel Lane, Chipping Comden, Glos.

LONDON 6.25 am TV-Am breakfast television. 9.25 LWT Information. 9.30 Sesame Street. 10.30 No 73... Bum Deal. 12.15 World of Sport: 12.30 Judo —The European Championships from Belgium. 12.45 News. 12.50 On the Ball. 1.30 The ITV Six: 1.30 Kempton; 1.45 Newmarket; 2.00 Kempton; 2.15 Newmarket; 2.30 Kempton; 3.00 Newmarket; 3.10 Speedway — England v USA from Cradley Heath; 3.45 Half-Time Soccer Round-Up; 4.00 Wrestling from Nottingham. 4.45 Results. 5.00 News. 5.05 Whiz Kids. 6.00 The Grumbleweeds Radio Show. 6.30 Robin of Sherwood: "The Witch of Eisdon". 7.30 Just Amazin'. 8.15 T. Hooker: "China-town". 9.15 News and Sport. 9.30 79 Park Avenue. 11.15 Alfresco. 11.45 London News Headlines. The Irish Rm: "The Boat's Share". 12.45 12.45 Live Concert: Bob Marley and the Wailers. Night Thoughts with Rev. Dr James Bentley. CHANNEL 4 1.50 Manscape. 7.15 Action in the North Atlantic (1943). 4.25 Mama Malone. 5.05 Brookside. 6.00 Ear Sex. 7.00 News (Seven days). 7.30 Women in Nicaragua. 8.00 Enterprise Special: Profile of Robert Maxwell. 8.55 The Avengers: "Stay Tuned". 9.45 UB40—A Musical Profile. 11.05 Mystery Mr Moto (1938). 11.45 Mysterious Mr Moto (1938). SAC WALES 1.50 pm A Week in Politics with Peter Jay. 2.30 Mary Cooper's Golden Side: Inner-City Boys' Boxing Challenge. 1984 Manchester v Liverpool. 3.25 P.m. "Smilin' Through". 5.05 Y. Awr Fawr. 6.45 The Good Food Show. 6.30 Garden's Calendar. 7.00 Wives in the World. 7.30 Newyddion. 7.45 Mental Minutes. 8.00 News. 8.15 Sixty. 8.45 Arloes. 9.15 Y. I. I. I. Chwarae. 10.15 Cyfnewidiadau. 10.25 It Takes a Whole Month to Read Pablos. 10.50 Film: "Kathleen". REGIONS 18A Regions as London except at the following times: ANGLIA 11.05 am Chris Barber and Dr John at the Marquee. 12.40 am At the End of the Day.

The Pre-Raphaelites 7 March-28 May Sponsored by Pearson Hunt's symbolic realism, Millais' mood-painting, Rossetti's cult of feminine beauty, Burne-Jones's musical and romantic dreams — what group of British painters can match them? Tate Gallery Millbank, London SW1 Admission £2 Monday-Sunday 10-5.30 Sunday 2-5.30 Closed 20 April and 7 May Recorded information: 01-821 7128

Art Galleries COLNAGHI 14 Old Bond Street Tel: 01-481 7408 London W1 An Exhibition of ENGLISH DRAWINGS AND WATERCOLOURS 9th May to 28th May Monday to Friday 10-6 Saturday 10-1 Clubs Personal CLASSIFIED ADVERTISEMENT RATES Commercial and Industrial Property Residential Property Appointments Business, Investment Opportunities. Business for Sale/Wanted Personal Motor Cars Hotels and Travel Contracts and Tenders Book Publishers

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WINE/COLLECTING

From Ballets Russes to Beaton

BY JUNE FIELD

A PLASTER CAST of Pavlova's leg, one of Nijinsky's foot, and Serge Diaghilev's dressing case with a hairnet in one bottle, and incense in another, are just some of the intriguing objects in the sale of ballet manuscripts and drawings by Sotheby's on Wednesday.

Not much is known about the background to Nijinsky's foot, except that perhaps it was done in 1914 (he died in 1950) by a young Polish sculptor called Kopeck. But Pavlova's leg (done in 1913 at Ivy House, North End Road, Golders Green, which had become her home a year earlier), is recorded by Keith Morley in *Anna Pavlova, Her Life and Art*, 1962.

It suggests that due to the problems of keeping the muscle fully flexed for the time needed for the plaster to dry, possibly the limb was first modelled and then re-cast with a real ballet pumper fitted on the model. The sculptor was Seraphin Soudaine.

And the Diaghilev dressing case, in remarkably good condition, comes with a Monte Carlo postage label. It was in 1922 that Diaghilev, facing ruin after the commercial failure of Leon Bakst's resplendent London production of Tchaikovsky's *Sleeping Princess*, secured a permanent base for his Ballets Russes at the Monte Carlo Casino.

The fascinating memorabilia and works of art being sold by Sotheby's are being sold by Serge Lifar, premier Russian dancer, choreographer and writer, now nearly 80, who joined Diaghilev's company in 1923. (Some of the collection, the last tangible evidence of the

Ballets Russes, was sold in 1933 to the Wadsworth Athenaeum, Hartford, Connecticut.)

The splendidly eclectic assortment includes music manuscripts by Debussy and Rostand, posters by Cocteau and Bonnard, and drawings by Picasso, Braque and Rouault. Particularly evocative are three albums devoted to Russian ballet, originally collected by the Marchioness of Ripon, given to Lifar by her daughter, Lady Juliet Duff. Lady Ripon was Diaghilev's earliest London patron, introducing the company to the society of the day, such as Lady Ottoline Morrell and the Bloomsbury group.

Autograph letters of Mata Hari are seldom offered for sale. The one in this collection complains about the terms offered for working as an "exotic dance recitalist" in *Le Dieu Bleu*. (As it happened, the job did not materialise.) And an amusing note from André Derain to Diaghilev in 1919, with a drawing of a flower created from a blot, is in idiosyncratic French, excusing himself from meeting because of "teaches from which 'je souffre horriblement'." What is perhaps most remarkable is that so much trivia should have been tenderly preserved over the years.

Of great importance to historians and biographers is of course Diaghilev's extensive music library. A notebook of major interest too, lists everything from performance dates to the names of singers throughout the world.

Of this and an earlier notebook Lifar writes that it

recently held a *Stars of Stage and Screen* exhibition, always keep designs by the big ballet names, as well as those of Beaton, Cocteau, Edith Head, and Gordon Craig.

Charles Spencer, art historian and pioneer dealer in stage and theatre material, who wrote *Cecil Beaton, Fashion and Stage Designs* (Academy Editions), has been asked to help organise a Beaton memorial exhibition at the Barbican next year. So buying Beaton now could make sound sense.

Most of the letters are estimated to fetch from £200 upwards, although some of the top items are in the five figure bracket. A cotton fringe, oil painted by Jean Cocteau for *L'Après Midi d'un Faune* is estimated at £18,000 to £25,000; a curtain for the same ballet by Pablo Picasso, £50,000 to £30,000.

Recently the ballet market has expanded to include not only the Ballets Russes but designs by English artists such as Whistler, Messel and Beaton. The latter was greatly influenced by Bakst, Diaghilev's brilliant designer.

Over 600 drawings and water colours by Sir Cecil Beaton, including many stage and costume designs come up at Christie's on June 7. They are being sold by his secretary Eileen Rose who inherited the contents of his studio on his death in 1980. Subjects range from stage sets done when Beaton was at Cambridge, to drawings for Ashton's *Les Sirènes* and costume designs for Barbara Streisand in the 1960s.

Most of the lots are estimated at under £500. Although if the bidding is anything like as enthusiastic as that I saw at the contents sale of Beaton's home, Belsfield House, near Salisbury in 1980, prices could go higher.

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Chinese conjuror's costume designed by Picasso for the "Parade" in 1917, in Sotheby's sale on Wednesday of Ballet Material and Manuscripts from the Serge Lifar Collection

SPORT

Dominic Wigan on Newmarket

Gordon's guess for the Guineas

AS THE final preparations are made for today's 2,000 Guineas at Newmarket, it is satisfying to report that the prestige and importance of Britain's classics — the five great races for the top three-year-olds — remain very much inviolate.

Other races, sometimes more valuable and occasionally more in vogue, come and go with regularity, but there is still no sign of even the most minor changes to the conditions of Britain's "forgotten" classic, the St Leger, in spite of recent demands for not only a change in distance but for the race to be made open to four-year-olds.

Since the inception of this, the oldest classic, in 1770, only the Ascot Gold Cup has come close to matching the five classic races in terms of prestige, but, as with other staying tests, the Gold Cup's popularity with racegoers and breeders alike has steadily declined as the emphasis has switched with ever-increasing urgency from stamina to speed.

The St Leger, which has suffered from a dearth of high-class staying three-year-olds and also runners in the main for 30 years now, was remarkably run over two miles up until 1812.

However, I suspect it will be a long time until another major change is made to the classic, which had a further 61 yards mysteriously shaved from its distance in 1825.

A great supporter of not only "the classic system" but also the retention of the St Leger in its present form, is Sir Gordon Richards, 26 times champion jockey and celebrating his 80th birthday today.

He told me yesterday: "The classics will never be threatened, in my view, and as far as challenges go, the Triple Crown (the 2,000 Guineas, the Derby and the St Leger) will always be a greater test than the Arc de Triomphe, which is usually run in hock-deep mud."

"In the spring, a Triple Crown seeker, tackles the fairest mile course in the world. He and jockey then face the extreme demands of the Derby and course at Epsom, and they finally have to show that he possesses stamina in the St Leger."

Sir Gordon, whose only trip to a racecourse in the past two years came last summer, is, I am glad to report, planning to be out and about more this summer.

When I asked him what he considered to have been the major changes in racing over the past 40 years, he said: "The huge sums involved are the only major change since my day."

Turning to today's classic, the 2,000 Guineas, it is hard not to agree with trainer Ian Bald-



Sir Gordon... a great lover of the classics

ing's belief that it could be the most competitive for many years. Speaking at Monday's Merce lunch, he said: "I firmly believe that this year's bunch are pure vintage — the best since Brigadier Gerard beat Mill Reef and My Swallow in 1971."

Balding stays loyal to the Guy Harwood-trained Lear Fan, but there are many, including his astute mother-in-law, that very active Jockey Club member, Mrs Peter Hastings, who will be looking to the each-way claims of Rainbow Quest should rain alter conditions.

At the last meeting here, Rainbow Quest failed by only inches to take advantage of the 5 lb he was receiving from Lear Fan in a Craven Stakes in which they went no pace in the early stages before sprinting the final three furlongs.

There should again be next to nothing to choose between them for, although Rainbow Quest now has no advantage at the weights, a paddock inspection before the Craven Stakes suggested that of the two, Rainbow Quest might be expected to make the greater improvement.

Sir Gordon is also in the Rainbow Quest camp. He said: "I thought Steve Gauthen (the young U.S. jockey) made a lot of sense after the Craven when he said that, with more runners, he would be able to keep Rainbow Quest covered up behind the front runners and I know he thinks he can turn the tables."

Lear Fan and Rainbow Quest again seem sure to play a major role in proceedings, but for the winner I slightly lean towards Ireland's El Gran Senor, who has thrived since defeating Sadler's Wells with the minimum of fuss in the Gladness Stakes at the Curragh.

NINETEEN-SEVENTY-THREE was a "might-have-been" vintage. After a good, early flowering it was clear that the vintage was likely to be a big one; and though July was wet, August and the first half of September were very warm indeed. In Bordeaux expectations were high as the vintage approached. I recollect attending on 11th September an evening party in the courtyard of Cos d'Estournel — in front of those Chateau-architecture cellars — given by the then new proprietor, Bruno Prats. Tout Bordeaux Vinicole was there and it was very warm. A vineyard owner said to me: "If this weather continues it will be a great year." But it didn't. On the 15th the heavens opened, and there was severe hail affecting Haut-Brion and La Mission-Haut-Brion; and when the vintage began on the 25th the grapes were swollen, the juice diluted. The red wine crop was a post-war record of 3.48m hl of moderate wine that had arrived at the wrong time.

The investment speculation boom that had seen fine chateau previous vintages suddenly collapsed that summer and they were further lowered by the "energy crisis" that autumn.

So when the 1973s came on

First-growth clarets after ten years

the market in spring 1974, prices tumbled. The first-growth prices were down to FF 50,000-52,000 and Latour did not offer its wine at all en primeur.

As a result of all this the 1973s took a long time to "find their feet", especially as the following vintage in 1974 was also very large on an overloaded market: 2.24m hl of red wine. There were good many claims in Bordeaux that the 1974s were better than the 1973s, but for the most part they have turned out hard and charmless, whereas a number of the 1973s have developed into light, but agreeable wines.

Readers pertinacious enough to read this column regularly may recall that, except for uncommonly poor vintages such as 1972, it has been the custom here to record the results of tasting the first-growths of each year when they have attained a seniority of ten years old. For in Bordeaux it has been a tradition that fine bottles of a good vintage need at least ten years before being opened—a tradition unfortunately not greatly adhered to nowadays.

Nevertheless, the "ten-year

rule" does provide an opportunity to assess what should be among the best clarets of each vintage after they have had a fair chance to develop. So this time it was the turn of the 1973s, and six of us—the maximum number to "look" seriously at a bottle—sat down to sample seven first-growths (all but Ausone, that I did not possess and which anyhow was not then judged to be first-growth standard).

The six included a Master of Wine, a woman wine-writer, a restaurant proprietor, a don and wine steward of an Oxford college, my wife and myself. At the end, after refreshing the glasses, we voted our preferences from one to seven, the lowest number being the best, the highest the least good. The comments, made at the table, were mostly my own, with additions from the notes of others. On the whole there was general agreement as to the order, although the Oxford don, a dedicated Medoc-drinker, down-graded the Cheval-Blanc, though not the Petrus. Here, then, are the notes on the wines

in the order in which they were served.

Ch. Margaux. Good colour for the year, though brown on the rim. Quite a flowery bouquet, as to be expected from this chateau. Taste initially quite fruity, but dry and thin at the end. "Water," was one comment; "was it heavily chaptalised?" another.

Ch. Haut-Brion. More colour than Margaux, and looks younger. Very little nose at first, and surprisingly dumb, but the "bricky" Graves nose developed in the glass, and this showed on the palate, with more body than the Margaux, though it lacked flesh. There was some divergence of opinion on this wine, with three drinkers putting it in the higher (better) end of the list, others at the lower (less good) end.

Ch. Lafite. Fair colour and a refined bouquet, but very light on the tongue and lacking substance and follow-through. Other comments included: nose faded fast artificially sweet taste, distinct absence of fruit, tails off. In view of the standing of Lafite, it was unani-

mously agreed to be disappointing.

Ch. Mouton-Rothschild. Big deep colour, reluctant nose, and a most "unlikely" one for Mouton, although one taster found it "meaty." Some acidity noticeable, but a good drink that held well in the glass, but lacked charm. Long taste and might have another year or so in hand. Agreed to be untypical Mouton-Rothschild.

Ch. Latour. Very big deep colour, the fullest of all, with no brown at rim. Surprisingly closed on the nose (all wines had been decanted at least an hour before serving, the later-tasted ones longer). Full flavour, excellent balance. The first wine to show its breeding: no sign of confinement. The only wine so far likely to improve. "Even-keeled, but low-keyed." All placed it high on their list of preferences.

Ch. Cheval-Blanc. Very good colour, but watery at edge. Gentle but sweet aroma that came out of the glass to meet one; the only wine that do, charming and fragrant. Deliciously sweet seductive flavour, soft and "spicy." A

bouquet of violets. A very well-constituted wine, with a minority report from Oxford: "slightly thin, but a long-lasting taste."

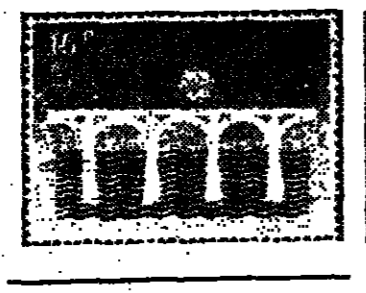
Ch. Petrus. Big colour, full all the way, and much deeper than Cheval-Blanc. Aroma very restrained and disappointing. Flavour rather dull, "light" and lacking distinction. Good finish its most satisfying quality, but "unexciting." Petrus can usually be relied on to produce an above-average, fruitily wine. In even a moderate vintage, and more had been expected of it. So all but one taster was disappointed.

When it came to the vote Cheval-Blanc's charm placed it decisively first with five of the six putting it first (9), though in the long run Latour was almost certainly the best wine (13). Petrus came 2nd (22), followed by Haut-Brion as fourth (25), Mouton-Rothschild fifth (28), Margaux sixth (34) and Lafite seventh (35). Lafite was the most disappointing, for Margaux was known to be in a poor period. Finally, it needs to be said that these views were based on one bottle of each wine, drunk on a single evening. Different opinions and placings might arise on other bottles and other occasions.

Edmund Penning-Rowse

European unity revived

NAPOLÉON dreamed of European unity but it was left to Hitler to take this a stage further. One of the all but forgotten incidents of the Second World War was the European Postal Congress held in Vienna in October 1942. The Third Reich, as host country, issued a set of three stamps with motifs symbolising European unity, and a week later re-issued them overprinted with the date on which the European Postal Union agreement was signed. Of the member countries—all Nazi satellites or under German occupation—only Slovakia honoured the congress with a set of stamps at the time, but Holland produced an overprinted commemorative the following January. The European Postal Union quietly disintegrated as the war drew to a close, but the handful of stamps survives as a relatively inexpensive reminder of Europe's first essay in postal unity.



STAMPS JAMES MACKAY

The idea was revived from time to time, but it was not until 1958 that a postal conference held in Paris, that committees were set up to explore the possibilities of technical co-operation between postal and telecommunications administrations. At the same time, the European Coal and Steel Community, later the original Six—France, Germany, Italy and the Benelux countries—began issuing stamps in 1956 with a common "Europa" design. This idea was taken over in 1980 by CEPT (Conférence Européenne des Postes et Télécommunications) to mark its first anniversary, and since then the annual Europa stamps have been a CEPT, not an EEC, event.

At the present time 30 administrations from 26 countries in Western Europe (including Yugoslavia, Greece, Turkey and Cyprus), with a population of about 400m, belong to CEPT.

Over the years the outward manifestation of CEPT has always been the annual stamp issue, now one of the most popular collecting themes. At first, purely symbolic designs were used, and artists exercised considerable ingenuity in devising motifs playing on the original 19 countries—19 doves, flowers with 13 petals, wheels with 19 spokes and so on.

This approach was replaced by similar emblems in 1965 which continued until 1974 when a common theme was substituted. Each country was then left to interpret the theme in its own way. Sculpture, paintings, architecture, folk art and even "works of human genius" resulted in an exceedingly diverse range of subjects unified only by the incorporation of the CEPT symbol. While this undoubtedly revived flag-



ging interest in the Europa stamps it widened the scope so much that there was a danger of cohesion being entirely lost.

This year, however, the member countries have returned to a uniform motif to celebrate the silver jubilee of CEPT. Jacky Larrivière of Monaco submitted the winning design of a simple triple-arched bridge supporting the word EUROPA flanked by the dates 1959 and 1984. The letter O in the centre is replaced by the CEPT symbol of four interlocking post-horns.

Britain, after participating in 1959-60, dropped out of the Europa issue until 1980 when two of the four stamps portraying famous authorresses included a discreet little CEPT symbol. This half-hearted approach continued in 1981-82 and it was only last year that the entire set featured the CEPT emblem. This year, the British Post Office is demonstrating its individuality by combining the Europa issue with another event of European interest—the second elections to the European Parliament. Both events are the subject of stamps being issued in pairs on May 15, a pair of 16p stamps for the inland first class letter rate and a pair of 20p for the basic European letter rate. Larrivière's bridge appears alongside a design by Fritz Wegner, Austrian-born but resident in England since 1938.

Silver Jubilee stamps are being issued by the original 19 countries in addition to the UK they are France, Germany, Italy, Belgium, Netherlands, Luxembourg, Spain, Portugal, Denmark, Norway, Sweden, Finland, Iceland, Ireland, Austria, Switzerland, Turkey and Greece. In 1963 Liechtenstein, Monaco and Cyprus joined, followed by the Vatican (1965), San Marino (1967), Yugoslavia (1968) and Malta (1970). In addition, Guernsey, Jersey, the Isle of Man, Gibraltar and Andorra, represented by Britain and France, also regularly issue Europa stamps.

Alpines for the collections

DURING THE PAST fortnight I have attended two shows organised by the horticultural body of the Alpine Garden Society. The first was in London on the same two days as one of the Royal Horticultural Society's regular shows, the second the following week at Harrogate in the great spring flower show held there annually by the North of England Horticultural Society.

Both exhibitions were revealing in the excellence of the collection and the enthusiasm of the very large audience. Once the judges had completed their quite arduous tasks and the public was admitted it became quite difficult to get close to the best exhibits so dense were the throngs in front of them. These alpine plants, all grown in pots or pans, attract many kinds of gardener from the town dweller with perhaps no more than a yard and a frame in which to cultivate plants to owners of large country estates but I think that the emphasis is on fairly small gardens. Doubt many of the gardeners here have been delighted to discover how greatly they can increase the range of plants grown by concentrating on relatively small kinds that inhabit mountains and other rocky places.

In London I particularly admired some superbly grown dianthus, each plant a little dome no bigger than an upturned tea cup, perfectly regular in shape and completely covered by tiny, deep yellow, primrose-scented flowers. Dianthus aretioides grows in Iran at altitudes up to 6,500 ft on the Elburz Mountains where it lives to tick itself into shade crevices in limestone rock. In Britain it has been grown in well drained earthenware pots (no unglazed plastic for these precious things) in an extremely dry compost which, according to Roydon Heath the author of "Collectors Alpines," might consist of one part of bulk of flaked leaf mould and three parts Cornish river sand, no more, no less. If this sounds Spartan that is just what it is meant to be. Like many other cushion forming alpine plants, this is one that has learned to survive in the roughest surroundings. Its beauty is exquisite and to grow a really good one is quite an achievement.

In Harrogate my eye was



GARDENING ARTHUR HELLIER

caught by a far less difficult plant. *Polygala chamaebuxus* purpurea, a tiny shrubby relative of our own native milk-worts. This plant (I am not certain whether it was a single plant or several that had been allowed to run together but I think the former) was only three or four inches high but the best part of a foot across with little rounded evergreen leaves almost concealed by innumerable cherry carmine and yellow flowers. This carpeting plant from some of the thin mountain woodlands of central Europe can be grown quite successfully out of doors in a not too hot place and a mixture of loam, leaf mould and sand.

At both shows a number of exhibitors were showing various spring flowering cyclamen, mainly Cyclamen persicum and C. repandum, and what I found remarkable about these was the variation in size, length of stem, flower colour and perfume. Some of the persicums were so sweet that you could detect the scent yards away; others released no scent even to the most thorough sniffing. Some had stems close to a foot in length, others no more than 8 or 9 in and colour could be anything from white and pale pink to quite deep rose. C. persicum was, of course, the original parent of the big, overblown cyclamen of the florist's shops but the resemblance is only a nodding one. All these wild cyclamen are delightful, the scented ones most of all.

Many kinds of tritillaria were also on display at both shows from our own native moisture-loving *Tritillaria melandris* to

strange things from the Middle East with the darkest of mignon flowers contrasted with bright yellow, the whole gleaming as if varnished.

There were sky blue and palest yellow corydalis and apricot pink lewisias, an extraordinary iris named agnifera which appeared to be pencilled and banded in near black over a grey-white ground, stuffy smelling cassoopes looking like very aristocratic heathers and, at the Harrogate show, a few superb saracenias which grow in mountain boss and, because of the shortage of essential nitrogen in such places, have developed slender pitchers with little umbrella hoods to keep out rain and, inside, a secreted liquid which attracts insects and then digests them.

You may well be wondering where all these unusual plants come from. The answer is that some come from specialist nurseries like that of the Loverson family near East Grinstead and Joe Elliott at Broadwell in the Cotswolds who specialises in plants that like lime. But many have been collected in the wild by their growers who take their holidays in mountainous places with the express intention of increasing their collections. Probably still more have been raised from seed obtained from the Alpine Garden Society which organises the collection of seed from its members and distributes them to those who want to have them. The seed list of about 4,000 species which the society issues every year is by far the most comprehensive of its kind anywhere and, along with the other services which the society offers, including a fat quarterly bulletin and overseas tours, accounts for its large and enthusiastic membership. This seed distribution is a fine way of conservation since the seed, collected in gardens, places no strain on the wild stocks and, because it is distributed to skilled gardeners, stands much more chance of germination and survival than the wild seed.

Anyone wanting more information about this society should get in touch with the secretary, Michael Upward, Ley End Lane, St John's, Woking, Surrey.

Ben Wright tries the Featherlite

A revolution in the golf club

THE MOVE to ultra-lightweight golf clubs has all the characteristics of the biggest revolution in the sport since the advent of the steel shaft. Manufacturers are falling over themselves to produce their own versions of the "Featherlite" club which the Ram Company of Chicago first brought to the market place with such success that they have become the unwitting victims of it.

Just cannot make the Featherlite clubs fast enough to satisfy the demand for them, which has created an extraordinary black market. Supposedly sane golfers—if there is such an animal—have approached me with an open cheque, literally begging me to sell them Ram clubs. For those unfamiliar with Featherlite clubs, they are totally different from the previous concept of standard weight heads with lightweight shafts which were so whippy they were impossible to control, or "light heads" fitted to stiff lightweight shafts, which had so little feel they produced a sensation akin to hitting the ball with a broom handle.

The Ram Featherlites have reduced club head weight, shaft weight and swingweight. For instance most club golfers like myself have weapons with a swingweight around D1. My Ram clubs have a swingweight of B8, a frequency method flex of 5.5, and they are much lighter than any set of ladies' clubs I have ever handled.

The idea behind the Featherlite is to dramatically alter the dynamics of club head acceleration. Ram's technical experts point out that the conventional golf club attains its maximum velocity between 4 and 5 feet before impact with the ball, at which point it is decelerating rapidly. They maintain that their Featherlites are designed to move the point of maximum velocity to within 12 or 14 inches of impact, which allows the player to derive much greater power from his swing, and considerably more distance. Ram's experts also claim far greater accuracy than normal for their invention because their lightweight shafts

are frequency matched by computer so that each club has exactly the same feel.

Instead of concentrating the weight of the iron in a lump at the bottom centre of the blade, as is the case with most conventional clubs, the Ram Featherlites are extraordinary looking in that they are scooped out in this very area on the back of the club. Thus the weight is concentrated in the perimeter. The woods have moulded carbon graphite heads to combine great lightness with extreme strength.

So do the clubs really work? All I can say is that the two guinea pigs on the Ram staff playing the American Tour, Calvin Peete and Ray Floyd, who are using Featherlites with a swingweight of C3 or C4, are 31st and 37th respectively on the money list. Interestingly Floyd is also using a driver whose length of 42 inches is an inch shorter than standard, and claims that not only lighter, but shorter clubs have more feel and control. Peete told me: "Before I played Ram Featherlite clubs I could not imagine hitting the ball so far with such little effort. I am amazed by the accuracy and control."

My own efforts with the Featherlites have been at times truly impressive, at others mostly horrendous—situation normal. My very first shot with the eight iron flew no less than 160 yards, but alas, the green was only 130 yards away. My partners and I paced out one particularly satisfying 3 iron shot at 225 yards, no mean feat for this mere hacker. But I have to do the work because—particularly with the woods—I feel as if I am trying to shift a boulder with an elongated club. The Featherlites are going to need a lot of hard labour on the practice tee before I come close to mastering them. But at least they have inspired me to go to work. And I cannot think there are any more suitable clubs for senior citizens or lady golfers, or those who swing through the ball rather than hit it violently.

FINANCIALTIMES

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Saturday May 5 1984

Why the Fed has moved

MR FRANK MORRIS may be an unfamiliar figure to the average reader of these columns, but if anybody can draw together the contradictory strands of British and international economic events in recent weeks, it is he. We have only to turn to Mr Morris for an explanation of why the equity market is soaring while the clearing banks are sirding themselves for an increase in base rates; why Wall Street remains overwhelmed by gloom while the Reagan Administration has been offering ever-summer forecasts of U.S. economic prospects to its European critics at last week's OECD ministerial meeting in Paris and even why central bankers may at last be stirring themselves into action on the Third World debt crisis.

Mr Morris can provide all this insight because he is president of the Federal Reserve Bank of Boston and a member of the Federal Open Market Committee, which meet every six weeks to set U.S. monetary policy. What has made Mr Morris stand out this week from the 18 other members of the FOMC is that he chose to confide his recollections of the committee's last meeting to an investment seminar in Boston—and his reflections were more than usually significant, for Americans, Europeans and Third World debtors alike.

It is now beyond dispute that the Fed has undertaken a deliberate tightening of monetary policy, although that has been familiar enough to market professionals for several weeks.

More debatable before Mr Morris's remarks were published was the motivation behind the Fed's action. Was it a response to excessive monetary growth, to deteriorating inflation forecasts, to stirrings of unrest in the labour market, to the weakness of the dollar or generally to the "excessive" growth rates notched up by a U.S. economy which has turned out to be much lustier than expected?

Primary reason

Mr Morris made clear that over before that the strength of economic recovery was the primary reason for the Fed's concern. There was "really not much case for moving" on the basis of money supply figures, he apparently said, but the excessive growth rate of nominal gross national product—which increased at an annual rate of 12.5 per cent in the first quarter of this year—threatened to prove inflationary and unsustainable. Once economic growth became "more sluggish," the markets could

expect the Fed "to lean in the other direction," he added.

Now there is nothing revolutionary or even original about this kind of prescription for monetary policy. The principle of targeting nominal GNP instead of narrower definitions of money has been discussed in detail by the Financial Times for years and it has clearly played a major part, in practice, in the Fed's monetary policy decisions since September 1982, when Mr Paul Volcker, the Fed's chairman, formally suspended his narrow monetary targets.

Warning signal

Nevertheless, the possibility that the Fed's immediate aim may now be to push the U.S. economy back into the 8 to 10 per cent nominal growth range "projected" by the FOMC earlier this year, inspires some sobering reflections, particularly for the world outside the U.S.

While nominal GNP figures have much to be said for them as an early warning signal against inflationary pressures, the U.S. economy, like a gigantic super-tanker, is slow to respond to gentle guidance from the interest rate tiller. When it does turn, it seems to turn far more dramatically than expected, as anybody who has lived through Mr Volcker's efforts to restrain the U.S. economy in 1980 and then accelerate it again in 1982 can readily testify.

These uncertainties do not imply that the Fed should give up on its attempts to steer the U.S. economy in a non-inflationary direction. On the contrary, the recklessness of U.S. fiscal policy makes monetary vigilance all the more essential. The trouble is that in trying to turn the U.S. super-tanker, the Fed could set off waves so violent that they capsize the flimsier craft chugging along in the U.S. economy's wake.

This is why interest rates in Britain and elsewhere again seem to be pointing upwards, why Third World debtors are again becoming restive and why prospects for the U.S. economy look much more favourable from the short-term and parochial perspective favoured by Washington's politicians, than from Wall Street, which is trying to peer beyond the next election. Less directly, the Fed's difficulties in suppressing inflationary trends as the U.S. economy expands, may be spilling over into British and other stock markets, where the growing yield gaps are a classic sign of inflationary pressures.

Above all, the Fed's dilemmas underline the fact that there may be more discontent yet in store before inflation is finally cured.

MRS THATCHER'S fifth anniversary as Prime Minister yesterday was not an entirely happy occasion. Too many people stayed at home and too many others went to rival parties.

Besides, there were events going on elsewhere, the outcome of which is still unknown: like the miners' strike, the rumblings from the teachers, the unfinished business of the European Community, and the plea for British help from the New Ireland Forum.

Yet there was nothing in the results of the local and by-elections yesterday which suggests that Mrs Thatcher cannot look forward to a tenth anniversary in 1992. It is necessary to distinguish the short-term prospects from the long-term.

It was also one of those occasions when there was something in it for everybody. Labour did well locally, picking up such prizes as Edinburgh, Birmingham and Southampton. The Alliance kept up its local push and came second in all three by-elections. And the Tories at least did not lose any Parliamentary seats.

The local elections results are discussed separately on page four. This article concentrates more on the by-elections and their national implications.

It was much more of a mini-general election than was usually perceived. The timing of the by-elections was announced suddenly. The campaigns were obscured by the Easter holidays and by other events. All parties had to spread their resources thinly because of the coincidence of the local elections—a fact not taken into account by the two big parties when they agreed the date, for it affected the Alliance most. Even Newsnight on BBC 2 schemed its customary by-election coverage during the campaign.

Yet, taken together, the three constituencies represent a pretty fair cross section of Britain. Cynon Valley in Wales has the old industries, mainly coal. Surrey South West is the epitome of home county affluence. Stafford is somewhere in between in terms of wealth, in its politics, and neither north nor south.

Moreover, as the accompanying table shows, the average of the results in the three constituencies in last year's general election was remarkably close to the result for the country as a whole. Almost one year later, you could hardly have staged a better test of the way the electorate is moving.

A few figures stand out. First, and perhaps least important, the turnout was down. It was down particularly in Surrey South West, which suggests that there is now a considerable number of Tory supporters who prefer to stay at home in a by-election rather than give their party the benefit of the doubt.

One does not want to read too much into that. In a general election it might well be different. Nevertheless, it would have required all that many



Smiles from the by-election winners (left to right): Mrs Ann Clwyd (Labour, Cynon Valley), Mr Bill Cash (Conservative, Stafford) and Mrs Virginia Bottomley (Conservative, Surrey South West).

more Tory defectors for the Alliance to have won Surrey South West.

Next, there is a certain symmetry between the Labour result in Surrey and the Tory result in Cynon Valley. Both were lost deposits. In both cases the vote must have reached something like rock bottom. There is no more point in voting Labour in Surrey South West than there is in voting Tory in Cynon Valley, where in any case there is also the option of voting Plaid Cymru (not shown in the table).

That is the polarisation of British politics, and it is likely to continue short of electoral reform or an Alliance breakthrough. Some seats, mainly in the affluent south, are basically Conservative. Others, mainly in the old industrial regions and inner cities, are basically Labour, and not much change is in sight.

Stafford is middle Britain, or at least middle England. It was the only by-election where a real fight was expected, and that was for second place. In the event, that went to the Alliance, as it had in the General Election, though the Labour vote was also up.

It is just possible, but unprovable, that if it had not been for the miners' dispute, Labour might have done rather better.

The most interesting line in the table gives the average vote for the parties in all three by-elections. It puts them more or less at level pegging—quite different from the opinion polls—though the fall in turnout may conceal a stronger Tory vote at a general election.

There were times during the previous Parliament when similar results occurred, only to be confounded last June. So it is as well to be cautious about predictions. Yet what else do the by-elections tell us?

POLITICS TODAY

Not the happiest anniversary

By Malcolm Rutherford

straight from Tory to Labour. The persuading point was GCHQ since the man himself worked in a defence establishment.

The problem for the Alliance, on the other hand, in spite of its improved performance, is that of being always, the bridesmaid, never the bride, condemned to second place. It is true that the table shows that in the three by-elections together it came out ahead of Labour, a fact already seized on by Mr David Steel, the Liberal leader. But the difference is only fractional and cannot be taken for granted.

Still, in this contest, the elections to the European Parliament next month become even more of a domestic test. If the Alliance can take second place then in the percentage share of the vote, Labour should be worried.

There remains, however, the difficulty of translating votes into seats. The Alliance has still to make the breakthrough in a domestic test. It needs to be up above 15 per cent to be a Parliamentary force. The system is against it.

That is why the Tories can still take some comfort for the longer term. The Tories thrive while the opposition parties are split. The figures make that clear beyond doubt: even in Surrey South West the Conservative vote fell below 50 per cent this time.

It would be different if the split were healed and it is ironic that if the split in the Labour Party had not already happened it would not happen now. The Labour Party under Mr Neil Kinnock does seem to be moving back into the mainstream. But the result is a kind of stagnation: no more Labour MPs moving to the SDP and the SDP just sitting tight. The result is to keep the Tories in power.

The other factor in Mrs Thatcher's long term favour is simply the size of her majority last year. It would take a swing of quite unprecedented proportions to dislodge her next time. Thus it seems to me that any further re-arrangement in British politics will have to wait until after the next general election.

In the short term, however, the Government's prospects are none too good. There can be little doubt that it is in for an exceedingly rough summer and the results of the local elections have only made the outlook worse. There is the special problem of the rates in Liverpool, the very stuff of the upwardly mobile classes, technicians and so on. No Labour candidate had ever stood there even in a ward election. It returned a Liberal.

Mr Poulter, making his first visit, warned me that it would probably turn out to be rock solid Tory in the by-election: Mrs Thatcher's people. Not a bit of it. One by one the young technocrats and their wives turned out to be Labour sympathisers, though it seemed that none of them had told their neighbours.

For the first time, I witnessed a doorstep conversation—

Most of these are gifts of the Government's own making. It decided what it wanted to do without knowing how to do it and the electorate can be expected to take a certain perverse pleasure in watching it stew for a while.

Still, these are relatively minor matters. For the longer run, the Government remains safe enough, though it should watch that discontent about schools and hospitals.

VOTING CHANGES 1983/84

GENERAL ELECTION, JUNE 1983

	Labour	Tory	Alliance	Turnout
Cynon Valley	56.0	14.2	20.6	73.4
Stafford	23.7	51.2	24.7	76.5
Surrey South West	8.2	59.7	32.1	74.5
Average	29.3	41.7	25.8	74.8

BY-ELECTIONS, MAY 1984

	Labour	Tory	Alliance	Turnout
Cynon Valley	58.8	7.4	19.9	64.0
Stafford	27.4	40.4	31.3	65.4
Surrey South West	6.7	49.3	43.4	61.8
Average	31.0	32.7	31.7	64.5

NATIONAL RESULT, 1983

Labour	27.4	41.4	25.4	72.7
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Average change in the three by-elections	+ 1.7	- 9.0	+ 5.9	- 10.3
Change compared to national result 1983	+ 3.4	- 9.7	+ 4.3	- 8.2

Source: Malcolm Rutherford

World food supplies

From Sir Bernard de Hoghton
Sir—I am rather surprised and saddened that the organisations and charities devoted to world emergencies have not voiced strong and strident support for Europe's beleaguered dairy farmers. The efficiency of the industry is not in question, its so-called over-production is in reality a crisis of consumption, but above all else Europe can and should supply this excess to the starving peoples of the world.

It is said in intellectual and politically high circles that (a) here is no commercial market for the butter/dried milk mountains blocking the EEC's old stores; and (b) that should we supply the Third World we would make them dependent upon us.

Surely neither hold water! We already provide "cash aid" so why not supply a greater proportion in foodstuffs rather than financial benefits. This in turn would provide a shot in the arm for the suffering shipping industry and help reduce the all too clear acts of financial corruption that so bedevil many Third World countries. It is absurd to suggest that persons or peoples who are already seriously undernourished or impossibly starving, are not already dependent.

Perhaps a way forward is to turn the old 19th Century trade patterns on their head and let Europe, with its 20th Century agriculture, feed the Third World.

Sir Bernard de Hoghton,
Topham Tower,
Topham,
Nr Preston, Lancs

Robinson Sherwood on Saturday

From the Head of Press and Public Relations, HTV
Sir—Hopefully Chris Dunkley (May 2) will find our Robin of Sherwood series less "dour" as the story unfolds. We take issue with his claim that TV considers Sunday tea-time most suitable for "hissing arrows and bloody combat." The network takes no such view. Which is why the series is screened each Saturday.

R. J. Simmons,
The TV Centre,
Bath Road, Bristol.

No automatic option

From the President, Federation of Automatic Transmission Engineers
Sir—I welcome the successful launch of the Austin Rover Monte Carlo as such anyone but sincerely regret the lack of an automatic transmission option for the two litre model.

One car in 10 is now automatic—the proportion is higher for cars of two litres and over—so a valuable market is being missed or deliberately ignored.

As vehicles become more sophisticated and fuel-thrifty, automatic transmission is the only logical choice to maintain the fuel economy achieved by engineering advances. The gains can all be lost if the driver is not economy-conscious with a manual gearbox. But modern automatic transmissions can form an integral part of the energy management of the power unit and drive train.

There are several transmis-

Letters to the Editor

sions which would have been suitable for the "O" series, two litre Monte Carlo—including one from Honda. So why no automatic option in the top model?

Roy Parker,
75, Wilmsham Road,
Handforth,
Wilmsham, Cheshire.

Over the past few years I have received a number of circular letters from the bank describing how various facilities (such as issuing and making up deposit account books) were to be withdrawn because they were not compatible with the computerised systems that were being introduced for "customer benefit." At the time I had doubts as to who would really benefit. Additionally, various errors (such as failure to credit my deposit account with interest) have been blamed on the computer which, again naively, I believed was only as good as the information it was fed. Nevertheless it seems not unreasonable to expect some benefit from the facility to move money around electronically.

For the majority of people who use banks, it is, I suspect, of overwhelming importance that their personal transactions are conducted efficiently and in ways suited to their needs. Why is it necessary to use carrier pigeon methods in the age of the microchip?

Diane Munday,
22 Beechwood Hill,
Widnall, Hertfordshire,
St Albans, Herts.

Banking transfer system
From Mrs D. Munday
Sir—Something happened the other day which has left me so flabbergasted that I need to get it off my chest: your column seems the most appropriate medium.

I urgently needed to transfer a small sum of money from my bank account to that of one of my sons. The bank had purchased some air tickets for me and his current account was in jeopardy of falling below the magic £100 balance. We both bank with one of the majors at branches some five miles apart.

I phoned my branch giving details of the two accounts and requesting an immediate transfer. This, I was told, was not possible as the normal three days for "clearance" would be required. There was no question that the bank would not accept my telephoned instructions (which I would have understood); there was no question that my current account did not contain sufficient funds. On pressing the matter it was proposed that I collect the money from my branch and deposit it in his account. Sufficiently naive to find it hard to accept that in this electronic age, it is necessary physically to carry pound notes around, I

asked to speak to the manager. He explained it could be transferred immediately but I would have to pay around £7 "for use of the computer terminal."

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Diane Munday,
22 Beechwood Hill,
Widnall, Hertfordshire,
St Albans, Herts.

No superabundance of ad. revenue
From the Director, Association of Independent Radio Contractors
Sir—April 1, rather than May 1, would have been a more appropriate date for you to run your item on the Omega Com-

munications Report from the Adam Smith Institute.

The report as you describe it, makes the idiotic assumption that, firstly, there is such a superabundance of advertising revenue in the UK that it will fund as much as we wish of every form of media, and secondly, that BBC, TV and radio services as we know them would get their share.

If this is so, why has the regional Press suffered so much the face of the free newspapers explosion? Why is TV, and to a lesser extent, Channel 1 still having virtually to give airtime away? Why has independent local radio—at present the only legitimate UK commercial radio service—failed to increase its share of national advertising above 2.3 per cent? Why is it that the prospect of just one new national independent (and, therefore, commercial) radio channel, and not even before 1989, fills many radio advertising people with concern?

The answer is that, already, there's not enough advertising to go round. Therefore, the Adam Smith notion that, in addition to ITV and ITR, and soon satellite TV and cable, the greater part of the BBC's current TV and radio output could be funded from advertising is nonsense.

Brian West,
259, 269, Old Marlybone Road,
NW1.

Qualified personal financial advice
From Mr D. Aitken
Sir—Your personal financial planning survey (April 28) contained much useful and interesting information, but Eric Short's article on financial advice cannot go unchallenged. I am a direct salesman with a major life company and the code of conduct of the Life Offices Association imposes "an overriding obligation of an intermediary at all times to conduct business with the utmost good faith and integrity." I have been trained to assess the needs of an individual client

based on detailed information obtained, and to give advice on the basis of those needs.

I am not under pressure to sell high commission contracts—there is no danger of a client ending up with less than the best contract for his needs. I am, in fact, very likely to recommend a savings product that is not a life company contract within my overall recommendations.

My colleagues and I depend on hard earned reputations for high ethical standards for much of our future business, so it is in our own interests to provide clients with the best possible service. Of course there are rogues in the industry—but so there are in all professions. We are not pitfalls for the unwary investor, but sources of qualified, personal advice in a sea of financial confusion.

D. T. Aitken,
8, Halfway Place,
Newcastle under Lyme,
Staffordshire.

Index-linked mortgages
From the Managing Director, The Building Trust
Sir—Clive Wolman, in his article "Choices under a new tax regime" (April 14) should not be too disheartened at being taken to task by one of the leading building societies (letter April 28).

Despite the splendid results of index-linked mortgages both in returns to investors and in consumer demand the other leading housing institutions have so far been cautious.

Mr Wolman will also be comforted to know that the building societies in fact have never been forbidden from offering index-linked mortgages; the Nationwide's celebrated legal action merely confirmed that the building societies had always been able to do so.

Even now, with the benefit of this judicial declaration, the building society movement has yet to lend its first index-linked mortgage to a private house buyer.

Mr Wolman should persevere. Robin Ellison,
37 Ludgate Hill EC4A

A questionnaire for FT readers.

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Address Yes No

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Telex Yes No

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Handwritten signature or note at the bottom of the page.

Financing the British film industry

French fish farming

Why the revival may falter

By Raymond Snoddy

From the nuclear plant to the goldfish bowl...

By David Marsh in Paris

TWO FILMS are competing at the Cannes Film Festival later this month...



Two faces of the UK industry: the low-budget but highly successful Gregory's Girl (left) and Superman 2, a major international film made in Britain.

But it is possible that there may not be many more like them. Both are in the key £1.5m budget range...

benefit from the cut in corporation tax to 25 per cent. Proof of this came earlier this week when a Goldcrest £12m share capital offer was oversubscribed...

a personal initiative by Mr Aubrey Singer, former managing director of BBC Television, for a major EEC film and television production fund...

MR JOHN KETLEY and his growing family of several thousand goldfish are getting into hot water with the French nuclear power industry.

appetite, growth, sexual maturity and spawning frequency to a potential 10 times annually compared with only once a year in nature.



"You want to borrow 50,000 Francs to breed fish that no one can eat?"

Weekend Brief

Ireland's favourite boggy

MR CHARLES HAUGHEY, the Irish opposition leader, finds himself once again cast in the role of villain of the piece.

Brains needed to fill desks

Sixth form colleges are a favourite option for Local Education Authorities faced with the problem of falling student numbers...



Charles Haughey

They are all there to flaunt their charms as sailing holiday homes. The suitors forming the other half of the marriage market are arriving by air from all over America...

A question of quis custodiet

The largest single security contract ever offered in Britain disappeared without trace this week. On 11 June, there were eight companies bidding to take over the policing of 13 Royal Ordnance depots...

BUILDING SOCIETY RATES

Table with columns: Share price, Sub'n shares, Others, and various building society names and their rates.

Carry on up the Bosphorus

Today the little port of Marmaris, in South Turkey, is preparing for its largest influx of sailing boats since Nelson's fleet moored there in 1798.

Carry on up the Bosphorus

Today the little port of Marmaris, in South Turkey, is preparing for its largest influx of sailing boats since Nelson's fleet moored there in 1798.

Carry on up the Bosphorus

Today the little port of Marmaris, in South Turkey, is preparing for its largest influx of sailing boats since Nelson's fleet moored there in 1798.

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RESULTS DU

UK COMPANY NEWS

Tootal picks up to end £2.2m ahead

THE forecast improvement in pre-tax profits of thread and textile manufacturer Tootal for the year to January 31 1984, turned out to be one of £2.2m to £1.84m.

This represents a marked upturn in the second half, for at midyear a decline from £5.0m to £4.4m was reported. It was also achieved despite a major, but temporary, setback in the export of towels to West Africa markets as a result of economic conditions in that area.

The main contributor to a full year advance in trading profits from £18.2m to £17.6m was from trading operations, which saw results rise sharply from £8.9m to £11.7m. Textiles produced £24.0m (£2.3m) and nonwovens £1.3m (£0.0m). There was a loss of £425,000 (£338,000 profit) on other operations.

The pre-tax outcome was struck after central expenses of £2.7m (£2.6m) and interest paid of £18,000 (£36,000 received). It included a £2.32m (£1.07m) share of associates.

On the back of an expansion in earnings per 25p share from 5.3p to 5.7p, the net total dividend is lifted from 2.35p to 2.5p with a final payment of 1.4p.

Turnover for the 12 months was down from £401.16m to £387.31m, while tax took £4.77m (£3.85m), leaving the net profit balance £851,000 ahead of £12.41m.

Below the line, minorities amounted to £2.17m against £1.94m and there were extraordinary debits this time of £8.4m compared with £1.94m. These extraordinary items were incurred mainly by the Australian associate, Bradmill Industries, or in consequence of the disposal—completed in January—of the extra-ordinary UK cash flow while at the same time releasing funds for redeployment.

Expenditure on fixed assets, net of grants, for the year under review was £9.2m (£12.7m) and there was a £7.3m (£7.4m) charge in respect of depreciation.

Shareholders' funds totalled £118.6m (£117.3m restated) after providing for extraordinary charges and dividends, and taking account of exchange rate

Second half improvement reverses downward trend despite setback in exports to West Africa

movements on net foreign currency assets.

A prior year adjustment of £8.93m has been made to restate last year's figure, reflecting the postponement of tax relief previously allowed in error by the U.S. tax authorities.

Mr Alan Wagstaff, chairman, said yesterday that trading in the first two months of the

current year had been "very good".

Referring to the increased dividend he said, this was a "gesture of confidence" in the future.

The chairman indicated that profits from exports of Batik printed cloth had slumped by £1.75m to around £2m with "very little profit" expected in the current year.

But he remained confident that the business should improve. The star performer in the group had been the American thread company, benefiting from a still unfinished restructuring programme and a heavy investment programme of around £10.5m.

Here significantly larger profits are to be made," said Mr Wagstaff.

In the UK, trade with Marks and Spencer had continued to grow—it had gone up from a quarter to third and was still rising—although elsewhere in the clothing division undisclosed losses were run up supplying branded goods to the retail trade. However, management changes had been made and profits should show a "substantial increase."

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Air Call advances 29% to £1.3m

A YEAR of growth was experienced by USM stock Air Call in 1983 with profits advancing by 29 per cent from £1.02m to £1.31m, and looking ahead Mr J. O. Stanley, the chairman, expects further substantial growth this year.

The profits increase was achieved on turnover 17 per cent higher at £17.83m compared with £15.18m.

During the year the group expanded and enhanced its traditional telephone answering, paging, car telephone and medical deputising services and also expanded its interests through acquisitions and new ventures, particularly in overseas markets.

A 75 per cent interest in the media response company Teledata was acquired in April and in September a joint venture to develop a business communications network throughout the

Investment income rise gives Bilton nearly £10m

AN INCREASE in pre-tax profit from £9.35m to almost £10m for 1983 is reported by Percy Bilton, the property investment and development and civil engineering group. The dividend is being lifted from 9.6p to 10.19p net, with a final of 6.49p.

The directors report an increase of 15 per cent in investment income, and say the housing division continued to perform strongly, but the rapidly increasing cost of housing land prevented a significant expansion in house building during the year.

Pursuit of the policy of obtaining 100 per cent ownership of the property investment portfolio has shown significant results since the year end.

The company will concentrate portfolio activities on improving the quality of its properties, most significantly by the introduction of its new M Tech building design and utilising internal funding for its redevelopment programme.

Turnover for the year fell from £28.71m to £23.56m. After UK tax £3.88m (£3.72m) the net profit came to £6.12m (£5.63m), or to 14p (14.8p) per share.

Mowlem raises dividend as profits reach £10m

WITH THE second half producing an increase of £900,000 to £6m, profits before tax for the year 1983 from the construction group John Mowlem have risen by £1.6m to £10.1m.

Turnover moved ahead by £37m to £390m. Associates accounted for £30m (£22m) and made a profit contribution of £1.1m this time, while the group operating surplus improved from £7m to £7.8m.

A final dividend of 9p is recommended, which gives a total of 11.2p on capital increased by the 2-for-7 rights issue of a year ago. The 1982 payment was 10.5p on the old capital.

Profits include a nine-month contribution from Buehler, the new U.S. laboratory equipment business. The group's two major projects, both in joint venture, are well under way. The most recent, Mount Pleasant Airfield in The Falklands, was awarded during the year. Work for the U.S. navy on Diego Garcia continues with construction to the value of \$250m in places in East Africa.

At Mowlem Technology, Buehler, with its principal markets in the developed world and particularly the U.S., had a good year performing in accordance with expectations.

After tax £3.6m (£2.9m) the net profit comes out at £8.5m (£8.6m), and earnings are 27p (26.4p) per share. There is a net extraordinary debit of £1.8m this time, of which £1.2m has been written off investments in mine exploration and develop-

DIVIDENDS ANNOUNCED

Company	Current payment	Date	Corre- Total of spending for year	Total last year
Air Call	3.75p	June 12	3.75	5.8
Percy Bilton	6.49	June 12	6.49	10.19
Sir J. Causton	1.56	July 6	0.71	2.35
Liberty	3.5	June 11	2.6	4.8
Lillesal	1	—	—	1
S. and P. Linkerd	8.23	June 1	7.49	17.76
Miles 33	2.5	July 2	8.4	11.2
John Mowlem	9	June 2	1.25	2.35
Total	31.4	—	—	—

forecast to turn in just short of £2m pre-tax, more than offsetting a sharp decline in the rest of the technology division's profits as a result of a flat performance from construction. Overseas, and U.S. Navy project in Diego Garcia has taken up the slack—albeit at lower margins—left by the decline of Mowlem's traditional stamping ground in impoverished East Africa, while the Australian associates continued their interim improvements. Both profits and margins on UK construction were down slightly in a still competitive market. Current group orders, however, are up strongly by £80m to £350m. That owes much to the Falklands airport contract which should break even this year and start contributing in 1985. But UK building is also picking up although civil engineering is struck firmly in the doldrums. The shares were unchanged at 226, where the yield is 7.4 per cent.

Midsummer Inns £0.3m rights issue

MIDSUMMER Inns, the USM-quoted investment offshoot of the Campaign for Real Ale, is to raise £10,000 through a rights issue. The issue, on a one-for-two basis, is at 120p, against a closing price yesterday of 155p (unchanged). Underwriters are Energy Finance and General Trust, and brokers are Greene and C.

Midsummer Inns is the recently renamed CAMRA (Real Ale) Investments, which came to the USM last summer. Based in Cambridge, the company operates a number of pubs and off-licences, and has recently been expanding through acquisition of new sites.

The directors state that the investment policy is to be continued, to the extent permitted by cash flow and gearing. The issue is intended to ensure the right balance between equity and borrowings in the pursuit of this programme. In the year to end-January 1984, new-tax profits fell from £143,000 to £44,000.

Liberty surges to over £1.4m

THE CONFIDENCE expressed by the directors of Liberty last September has been borne out with profit before tax for the year ended January 28 1984 surging from £906,000 to £1.43m, and looking ahead Mr J. O. Stanley, the chairman, expects further substantial growth this year.

The profits increase was achieved on turnover 17 per cent higher at £17.83m compared with £15.18m.

During the year the group expanded and enhanced its traditional telephone answering, paging, car telephone and medical deputising services and also expanded its interests through acquisitions and new ventures, particularly in overseas markets.

A 75 per cent interest in the media response company Teledata was acquired in April and in September a joint venture to develop a business communications network throughout the

Modern Engineers Bristol goes into receivership

Modern Engineers of Bristol (Holdings), a steelwork, metal treatment and property development group, went into receivership last week as a result of "the continuing deterioration of its trading position."

Its shares had been suspended at 20p two hours before the announcement of receivership to give a market valuation of £600,000 and a bid price for this year and last were 30p and 34p respectively.

The group suffered losses in 1981 and 1982 which reduced reserves by a total of almost £770,000. The first half of 1983 saw a loss of £187,000 although there was no tax liability.

The board said that Modern had in those six months but considered it "prudent in view of the continuing recession in the steelwork industry to adopt a more cautious attitude to the valuation of certain aspects of work-in-progress."

The group added that "a re-appraisal of the likely development pattern of its industrial development land had resulted in a reduction in trading profit in the year to January 28 1984 compared with £226,000 in the previous year."

There was no dividend, although Modern reported last December that it had been successful in securing major design and management contracts which extended into 1986.

Two months later, the group embarked upon a reorganisation of its structural steel business. That move entailed redundancies among the workforce, which had numbered slightly over 200 people in 1982, and other measures were introduced to restore the group as a whole to profitability.

The board said at the time that its proposals had been fully discussed with Barclays, its clearing banker, "who have agreed to continue their support."

Miles 33 progress slows in second half

ALTHOUGH FALLING behind slightly in the second half when profits dipped from £185,000 to £178,000, Miles 33, a computer systems supplier, reports substantially increased pre-tax profits up from £225,000 to £292,000 for the year to February 29 1984.

Turnover of this company it joined the Unlisted Securities Market last May—advanced from £1.91m to £3.1m. The dividend is increased from 2p to 2.5p net. There was a tax charge of £74,000 (£21,000) and this included £19,000 for the preceding year. Attributable profits were £74,000 higher at £268,000, but these were before the deferred tax adjustment.

Since the Budget, the directors have made a provision of £250,000 in respect of tax reliefs which are not expected to continue in the foreseeable future. This provision has not been treated as a reduction from retained profits.

Earnings per 10p share improved from 9.2p to 12.8p at the year-end.

The directors say that progress in the first two months of the current year already shows a significant advance in order rate. They say marketing efforts are expected to show results during the coming year, particularly in the Far East.

Commenting on the year's results, they say the satisfactory increase in pre-tax profits is due, primarily, to success of the 300 computer composition system, a record number of new installations have been completed during the year.

Causton rises to record £1.5m and pays 10% more

RECORD full year taxable profits were achieved by Sir Joseph Causton & Sons, and at £1.53m show a significant increase on the £1.25m attained in the previous 16 months.

Further substantial growth in profits were achieved in publishing and bookselling and packaging. These two divisions together accounted for 77 per cent of total group pre-tax profits before financing costs.

Headway Publications contributed £411,000 before minority interests since the acquisition of 75 per cent of its shares in April 1983.

The group slimmed down its operations during the year to end-January 1984 with the disposal of its interests in Sir Joseph Causton & Sons (Eastleigh) and Causton Repro, which together net £1.74m, including extraordinary items, over the past five years.

Together with the sale of two other loss-making subsidiaries, these disposals accounted for the bulk of a £822,000 extraordinary debit.

After this charge (£240,000 for 16 months), tax of £314,000 (£402,000) and minorities £47,000 (£15,000 loss), the attributable profit was lower at £251,000 (£225,000).

Within the extraordinary item was a £555,000 provision for deferred tax, which was equally covered by a transfer from reserves.

A final dividend of 1.5634p has been proposed making a total of 2.347p (2.8448p).

Group turnover for the year was £26.53m (£27.87m) and the taxable result was struck after costs of sales of £18.65m (£20.84m), interest payable of £466,000 (£418,000) and included interest receivable of £88,000 (£163,000) and other income of £243,000 (£187,000).

Pru switches emphasis of UK investment

A marked switch of investment emphasis for funds arising from UK long-term business was shown by Prudential Corporation, the insurance group, in 1983, with more importance being placed on gilts and less on equities and property.

Indeed, of £380m (£405m) of new money available 71 per cent was accounted for by purchases of government securities; the amount invested rising from £159m to £269m.

In sharp contrast to this, equities bought fell from £36m to £22m and property disposals totalled £97m compared with purchases of £85m in the previous year.

Worldwide net investment during 1983 amounted to £1.1bn and of the £370m (£253m) arising on long-term business over the year, the net put into equities jumped from £22m to £140m.

The total value of funds under management throughout the group rose by £2.5bn to £17.4bn at the year end, with the major part of this increase occurring in investments supporting long-term business totalling £14.58bn. Of this, £3.35bn is invested in equities, £3.45bn in property and £2.51bn in gilts.

The AGM of the company will be held at 142, Holborn Bars, EC, on May 31 at 12.15 pm.

Dunlop optimistic for further recovery

IN HIS first report as chairman of Dunlop Holdings, Sir Maurice Hedgcock tells shareholders that group trading profits should show a further advance in the current year.

In the early months, results are running ahead of the corresponding period of 1983, mainly because of continuing improvement in the level of European business and benefits of earlier measures taken to reduce overheads and expenses.

Now that arrangements have been made to sell Tyres Europe, the debilitating losses have effectively been eliminated.

With a significant part of costs

of the fundamental restructuring having been taken into account, the two major priorities are to reduce the overall level of group indebtedness and to reinforce the profitable parts of the business both in Europe and overseas, he says.

The company and its principal bankers are working to ensure the availability of finance for the group's future needs. Those measures include the granting of security to unsecured lenders.

Meanwhile, of total borrowings, those included in current liabilities increased from £195m

to £356m, reflecting the fact that more of the group's borrowings are now of a short term nature. At the year-end ordinary shareholders' funds were £110m (£251m).

As a result of the agreement with Sumitomo Rubber Industries, additional cash payments of about £44m will be received by Dunlop by January 2 1984 for the fixed assets to be sold. In the following four months substantial cash will accrue for Dunlop in recovering its present investment in the working capital of the tyre business sold.

In 1983, the group made an operating profit of £53m (£41m) and a profit before tax of £17m (loss £7m). But extraordinary write-offs came to £135m (£28m). There is no dividend (2p).

Sir Maurice says there was a marked improvement in the overall results of the diversified products activities in Europe from the depressed levels of 1982, partly as a result of internal rationalisation and cost reductions. Outside Europe, the second half saw significant signs of recovery, at least in the more developed countries.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

A surge in Martin the Newsagent's share price prompted the High Street retailer to declare that it had received an unwelcome approach from an unnamed party. Martin's shares jumped to 273p, compared with only 155p a week ago. W. H. Smith subsequently emerged as the bidder with an offer worth £34.4m. Terms are three Smith A shares plus cash or unsecured loan notes to take the total to 520p for every two Martin shares. Martin quickly rejected the offer.

A major obstacle to Hanson Trust's £232m offer for U.S. Industries was removed this week when the directors of the American conglomerate withdrew their opposition to the bid. The Hanson offer of \$23 per share expires on May 7 unless extended. On Monday, Hanson disposed of its U.S. subsidiary Seacoast Industries to Zapata Corporation of Houston, Texas, for £21m.

Swire Pacific has agreed proposals whereby it will buy out the minority of its main quoted subsidiary, Swire Properties. Pacific is offering 130 new A shares plus HK\$1.61 cash for the outstanding 27.5m per cent of Swire Properties not already owned.

Woolworth sold 34 of its High Street stores, including its main branch in London's Oxford Street. Heron Property Corporation paid more than £50m for 32 of the stores. The remaining two stores in Oxford Street and Middlesbrough have been sold to unnamed buyers. Total receipt from the sales is £70m. Heron intends to refurbish or redevelop the stores and then let them to major retailers on a suitable lease, sell them.

Tricentral announced the sale of its U.S. offshore oil interests to BASF, the West German chemical group, for £52m. The deal covers Tricentral's operations in Houston and Denver.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)	Earnings* per share (p)	Dividends* per share (p)
Aberdeen Cons	Dec	5,240	(4.90)	19.3
Acis Jewellery	Jan/Feb	6,490	(88)	1.28
Ayshire Met Prod	Dec	96	(58)	1.0
Black & W. C.	Dec	362	(35)	24.8
Boot, Henry	Dec	2,150	(2.19)	35.6
Bremner	Jan	126	(14)	2.5
Bridgford Process	Dec	76L	(24)	5L
CASE	Mar	4,120	(1.70)	35.1
Clayton, -on & Co	Dec	160L	(57)	1L
Davies & Newman	Dec	4,310	(3.31)	38.6
Dowrie & Hedges	Dec	19L	(16)	1.0
Finlan, John	Dec	480	(52)	9.9
First Castle Elec	Jan	1,740	(1.23)	9.2
Fight Refuelling	Dec	7,560	(4.55)	12.6
Folkes, J. Hefo	Dec	500	(1.00)	0.6
Fosee Minsep	Dec	20,520	(14.87)	12.9
French Kler	Dec	14,330	(12.44)	17.3
Groebell Group	Nov	900	(45)	1.8
Hall, Matthew	Dec	12,960	(11.64)	22.4
Hammerson Prop	Dec	26,900	(20.41)	25.8
Hopkinson Hides	Jan	5,020	(3.70)	17.9
Hoskins & Horton	Dec	931	(524)	27.7
Hunting Ass Ind	Dec	6,630	(4.37)	36.3
Jessel Toynece	Apr	1,650	(2.17)	0.0
Kwik-Fit	Feb	4,150	(2.68)	5.1
Laing, John	Dec	23,610	(1.35)	26.6
Lilley, F.C.	Jan	13,850	(11.93)	11.5
Maclean, P. & W.	Dec	412	(317)	5.0
Marks & Spencer	Mar	279,300	(236.30)	12.6
Marlborough Prop	Dec	478L	(51)	1.6
Mezies, John	Jan	13,200	(10.50)	31.7
Millets Leisure	Jan	431	(897)	4.8
North Goldsmith	Feb	431	(61)	9.3
Pentland Ind	Dec	1,680	(10.10)	7.5
Trocen	Dec	704	(1,000)	7.5
Pratt & Roberts	Dec	850L	(86)	1.4
Roberts Alford	Dec	1,190	(761)	14.1
Rock	Dec	373L	(345)	1L

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)	Interim dividends* per share (p)
Barton Transport	Mar	153	(54)
Bellway	Jan	1,170	(62)
Cradley Print	Dec	320	(26)
Dubilier	Apr	2,070	(1.21)
Gaunt, Rowland	Oct	43L	(23)
Hepworth, J.	Feb	6,610	(3.76)
Jewson	Feb	403	(22)
Lyves, S.	Nov	209	(27)
Pease, C. H.	Nov	318	(1.90)
Pechin's	Nov	490	(26)
Saatchi & Saatchi	Mar	9,180	(3.81)
Simpson, S.	Jan	634	(57)
Windsor Secs	Mar	84	(8)

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)	Earnings* per share (p)	Dividends* per share (p)
Roper	Dec	3,390	(5.47)	5.9
Scott & Robertson	Dec	825	(195)	10.3
Shibb	Mar	120	(5.20)	3.9
Silvertaint	Jan	5,240	(7.20)	11.6
Silverman	Dec	2,280	(7.20)	9.3
Smith St Anby	Apr	2,510	(1.20)	4.5
Summer, Francis	Dec	196L	(228)	1L
Sunlight Services	Dec	3,550	(2.51)	19.9
Trause	Dec	89,900	(68.70)	40.4
Thomson T-Hine	Dec	146L	(300)	1L
Towles	Dec	334	(378)	11.5
Utd Friendly Ins	Dec	7,440	(2.10)	11.4
Walked, J. O.	Dec	362	(298)	34.8
Wre & Plas Prod	Dec	270	(22)	4.2
York Mount	Dec	105	(419)	12.6

Take-over bids and deals

Company bid for	Value of bid per share** price**	Market price**	Price Value before of bid bid £m**	Bidder	
Black (Michael)	75½	71	47	2.52	Emess Lighting
Black (Michael)	57	55	2.13	11.62	Higgate & Job
Border Brew	250½	233	290	11.62	Martins Thompson
BVG	81½	73	65½	13.31	Irish Distillers
Comet	232½	220	200	187.88	Woolworth
Crosby Woodfield	13½	13	1.4	2.92	Habit Precision
Dreamland Elect	20½	29	29	4.44	Valor

Scrip Issues

Hammerson Properties—One for one.
Mezies, John—One for one.
Pentland Industries—One for four.

Offers for sale, placings and introductions

Brikat—Coming to USM.
Comcap—Coming to a full listing by way of an offer for sale of approximately 32 per cent of equity.
Petrogen—Coming to USM via an offer for sale of 40 per cent of equity to raise approximately £3.2m.
Save and Prosper—Launching a new investment trust through a £20m offer for sale and placing. There will be a placing of 15m preference shares at 120p, and an offer for sale of 18m ordinary shares at 70p each.

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UK COMPANIES

RESULTS DUE NEXT WEEK

DEBENTURES and British Home Stores are both expected to report at the interim stage that Christmas trading was more buoyant than expected when they publish their results next week.

On Wednesday, Mr Ken Siddle will reveal his first set of annual figures since taking over as chairman of European Ferries.

The unknown factor in the results of Trafalgar House, which presents its figures for the six months to the end of March on Wednesday, is the impact of the newly-acquired oil and gas interests.

Back in February, the sharply better first quarter results from ROC were seen as disappointing by the stock market.

Table with columns: Company, Announced date, Dividend (p) Last year, Dividend (p) This year. Lists companies like Ambrass Investment Trust, Barr and Wallace Arnold Trust, British Home Stores, etc.

Dividends are shown net pence per share and are adjusted for any intervening scrip issues. * First quarter results.

The offer by Fiske and Co on behalf of Vernon Investment Association to acquire Wirral Estates has been accepted in respect of 217,106 existing ordinary shares.

HMAG Industries Inc, a unit of Hanson Trust, said in New York that it has begun accepting for payment, and paying for shares validly tendered, pursuant to its offer to purchase for cash at \$23 per share.

The J. Bibby offer for J. and J. Makin Paper Mills has been accepted in respect of 1,572,811 ordinary (0.58 pence) shares.

going from strength to strength. Carbon graphite should continue its return to profit—if fairly marginal—and the only disappointment should be the continuation of losses in welding.

The acquisition, which could cost around \$1bn, would significantly boost the company's presence in the European chemicals market.

More than 25,000 shares are estimated to have changed hands, making up about 6 per cent of the total placement.

The Porsche stock market launch is partly an attempt to give family members more flexibility in realising their wealth.

Michael Wong steps down from Neptune. Mr MICHAEL WONG PAKSHONG, one of Singapore's best-known businessmen, has resigned from the board of government-controlled Neptune Orient Lines.

Another building society in Brazil forced to close. BRAZIL'S important housing finance sector has received its second serious blow in a month.

Chairman named at Burco Dean. Mr Michael John Theodore Huxton has been appointed chairman of BURCO DEAN in place of Mr Spencer Crookenden who has retired.

Samuelson Group has agreed to purchase 75 per cent of Zenith Lighting for \$232,500—£20,000 cash at completion and the balance by the issue of shares.

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INTERNATIONAL COMPANIES and FINANCE

Allied seeks acquisitions in European chemicals

ALLIED Corporation, the diversified U.S. energy, chemicals and industrial products group, is actively seeking an acquisition in the European specialty chemicals sector.

The acquisition, which could cost around \$1bn, would significantly boost the company's presence in the European chemicals market.

More than 25,000 shares are estimated to have changed hands, making up about 6 per cent of the total placement.

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Top man resigns at Air Florida

Mr Donald Lloyd-Jones, Air Florida's chairman, president and chief executive, has resigned unexpectedly.

The company broke new ground earlier this year by raising DM 125m in the Frankfurt domestic debt market.

Despite the hefty premium over book value and recent market share prices implied by the terms of the bid, Wall Street analysts think the purchase price could be pushed up to around \$65 a share.

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AEG hauls itself back to a profit

AEG-TELEFUNKEN, the West German electrical concern, has hauled itself back into the black for 1983 after making an operating loss of DM 932m (\$341m) in 1982.

Exact figures will only be revealed next week when Herr Heinz Durr, the chief executive who has been the main architect of AEG's recovery, presents the report for 1983.

However, the share price rose strongly as word emerged informally about the turnaround in the company's fortunes.

West German steel group plans rights. HOESCH Werke, the West German steelmaker whose share price has improved dramatically in the past year, intends to raise a minimum of DM 106m (\$39m) through a one-for-four rights issue.

Turin bank lifts income by 12%. The supervisory board also confirmed that Hoesch would follow the example of Krupp and Thyssen in separating out its steel activities into a separate concern.

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Deficit doubles for Pirelli in Italy to over L33bn

INDUSTRIE PIRELLI, the Italian subsidiary of the cable and tyre group, yesterday produced figures showing more than double losses for 1983.

However, Industrie Pirelli saw its sales rise 19 per cent in the first quarter of this year compared with the same period of 1983.

Altos Hornos de Vizcaya reduces losses by 37%. ALTOS HORNOS DE VIZCAYA, Spain's second largest steel producer, reduced losses by 37 per cent last year despite suffering heavy flood damage.

Turin bank lifts income by 12%. The supervisory board also confirmed that Hoesch would follow the example of Krupp and Thyssen in separating out its steel activities into a separate concern.

Chairman named at Burco Dean. Mr Michael John Theodore Huxton has been appointed chairman of BURCO DEAN in place of Mr Spencer Crookenden who has retired.

Samuelson Group has agreed to purchase 75 per cent of Zenith Lighting for \$232,500—£20,000 cash at completion and the balance by the issue of shares.

The J. Bibby offer for J. and J. Makin Paper Mills has been accepted in respect of 1,572,811 ordinary (0.58 pence) shares.

Granville & Co. Limited

Member of NASDIP. 27/28 Lovat Lane London EC3R 8EB. Telephone 01-621 1212. Over-the-Counter Market.

Table with columns: Company, Price Change, Div. (p), Gross Yield, Fully Paid, Actual Yield. Lists companies like 1983-84 High Low, 120 Ass. Brit. Ind. Ord., 182 75% Franc Horeal Pr Ord, etc.

Mr Mike Bessley has joined the board of HOLDEN AND BROOKE. He was technical and commercial manager and will continue with these responsibilities.

Mr Werner Oswald has become managing director of EMS-GRILON (UK). Son of the founder of EMS-CHEMIE AG he has been heading inventa AG, licensing division of GEI.

Mr Simon Hare-Scott has been appointed a partner in the Aberdeen office of PEAT MARWICK MITCHELL AND CO. He was a partner in its Kingston (Jamaica) practice.

Mr Colin Mangham has been appointed deputy chairman of

Table with columns: Fund, Bid, Offer, Pensions, Div. (p). Lists funds like UK Equity, Acc 120, Social Inv, Cap 120, Fixed Interest, etc.

MONTAGU UNIT TRUST MANAGERS LTD. 11 Devonshire Square. EC2M 4YR 01-623 4273. Daily Dealing Prices as at 4th May 1984.

WORLD STOCK MARKETS

NEW YORK

Table of New York stock market data including various stock prices and indices like DOW JONES and S&P 500.

NEW YORK

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WALL STREET

Forecast of higher rates
Economic growth is expected to be strong... interest rates are expected to rise...

WALL STREET

Brokers said overseas investors... Metals weakened and gold fell... Coals tended higher...

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Brokers said overseas investors... Metals weakened and gold fell... Coals tended higher...

NEW YORK ACTIVE STOCKS
Thursday Stocks Closing on...
Metals & Min. 118.2 118.2 118.2 118.2 118.2 118.2

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar recovers

The dollar recovered from early lows in currency markets yesterday to finish on a note of recovery...

THE POUND SPOT AND FORWARD

Table with columns: May 4, Day's spread, Close, One month, Three months, Six months. Lists exchange rates for various countries like U.S., Canada, West Germany, etc.

MONEY MARKETS

Rates firm

Interest rates continued to rise in London yesterday but finished below the day's highs. Short term rates finished very soft as the Bank of England provided adequate assistance...

LONDON MONEY RATES

Table showing London Money Rates for Sterling, Local Authority Deposits, Finance House Deposits, etc.

OTHER CURRENCIES

Table listing exchange rates for various currencies including Argentina, Brazil, Greece, Hong Kong, etc.

THE DOLLAR SPOT AND FORWARD

Table showing Dollar Spot and Forward rates for various countries like UK, Ireland, Canada, etc.

UK clearing banks base lending rate 8.5% per cent

UK clearing banks base lending rate 8.5% per cent (since March 15 and 16)...

FT LONDON INTERBANK FIXING

Table showing FT London Interbank Fixing rates for various currencies and terms.

EXCHANGE CROSS RATES

Table showing Exchange Cross Rates for Pound Sterling, U.S. Dollar, Deutsche Mark, etc.

EURO-CURRENCY INTEREST RATES

Table showing Euro-Currency Interest Rates for various currencies and terms.

AMERICAN MARKETS

Table showing American Market data including New York, Chicago, and other regional indices.

WEEKLY PRICE CHANGES

Table showing Weekly Price Changes for various commodities like Metals, Grains, etc.

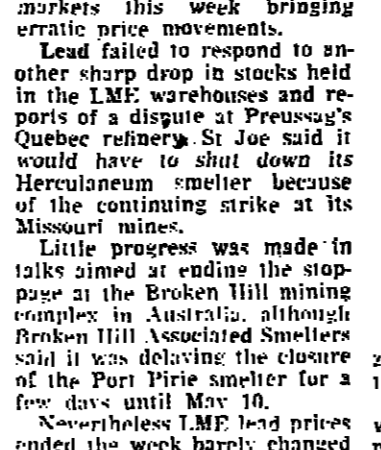
COMMODITIES AND AGRICULTURE

REVIEW OF THE WEEK

Brazil crop fears boost cocoa prices

Cocoa prices climbed to the highest levels since the end of January this week on renewed concern over the Brazilian temperate crop...

LEAD LONDON CASH METAL



AMERICAN MARKETS

Table showing American Market data including New York, Chicago, and other regional indices.

LONDON OIL

Table showing London Oil prices for various grades and types.

BASE METALS

Table showing Base Metals prices for Copper, Nickel, Silver, etc.

INDICES

Table showing various financial indices like FT 100, etc.

CHICAGO

Table showing Chicago market data for various commodities.

GAS OIL FUTURES

Table showing Gas Oil Futures prices for various grades.

TIN

Table showing Tin prices for various grades.

SILVER

Table showing Silver prices for various grades.

MOODY'S

Table showing Moody's credit ratings for various companies.

GOLD MARKETS

Table showing Gold Market prices for various types of gold.

LONDON FUTURES

Table showing London Futures prices for various commodities.

POTATOES

Table showing Potato prices for various grades.

SOYABEAN MEAL

Table showing Soyabean Meal prices for various grades.

ALUMINIUM

Table showing Aluminium prices for various grades.

COFFEE

Table showing Coffee prices for various grades.

RUBBER

Table showing Rubber prices for various grades.

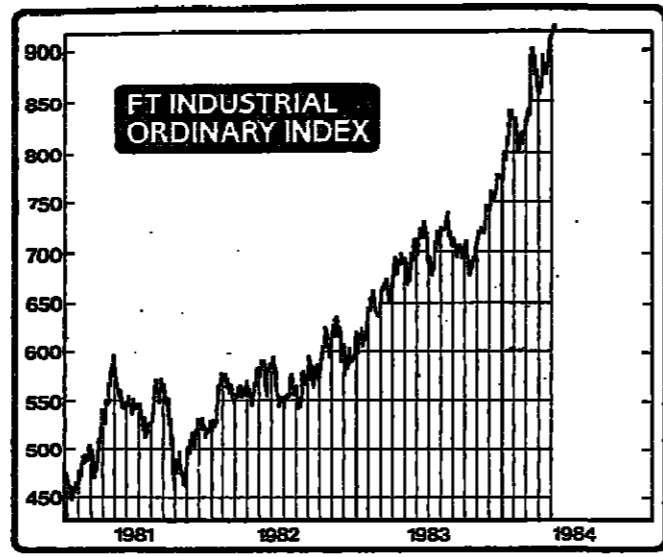
PLATINUM

Table showing Platinum prices for various grades.

MARKET REPORT

Interest rate uncertainties depress Gilts and finally put brake on leading equities—index falls 7.4

Account Dealing Dates
Option
*First Declara- Last Account
Dealings Unos Dealings Day
Apr 30 May 10 May 11 May 21
May 14 May 31 June 1 June 11



ICL continued to drift lower in the week of 2 to 22. Secondary issues featured Lorin, 17p, and Eurotherm, 27p, up 15 and 10 respectively in response to Press comment, while Dataserv firmed 4 to 110p on renewed demand ahead of Thursday's preliminary results. Further buying in a thin market lifted Polytechnic Marine 10 fresh to 270p. CML Micro-systems, 265p, and Mierogen, 55p, added 20 apiece. Profit-taking in the wake of the results left Miles 33 1/2 down at 258p. Arlea dropped 5 further to 50p and Electric Protective cheapened 6 to 152p.

Other Miscellaneous Industrial leaders gave ground. BTR dipped 6 to 489p and Glaxo relinquished 3 to 865p, while Metal Box receded 9 at 364p. Elsewhere, Astbury and Madeley jumped 9 to 107p on speculative buying fuelled by oil hopes following the chairman's death. Booker McConnell gained 1 to 12p after Press comment and Oriflame advanced 5 to 375p for the same reason. Continuing to draw strength from the results, Hunting Associated firmed 5 more to 245p in a restricted market. Improvements of 15 and 20 respectively were recorded in S. Pearson, 55p, and Photo-Me, 760p. Profit-taking ahead of their respective preliminary statements due next Tuesday and Wednesday left Gieves 3 lower at 127p and European Ferries also 3 down at 99p. Bl eased a few pence to 66p reflecting concern over the continuing stoppage of Metro and Mini production at Longbridge which was announced yesterday that the Metro is the best-selling car in the domestic market for the second consecutive month. In contrast, Lotus responded to revived demand on recovery to 285p and firmed 3 for a gain on the week of 20 at 81p—the 185m tax assessment has been discharged following the company's appeal to income tax commissioners. Dunlop eased 3 to 285p as a result of the 20p gain on the week of 20 at 81p—the 185m tax assessment has been discharged following the company's appeal to income tax commissioners. Dunlop eased 3 to 285p as a result of the 20p gain on the week of 20 at 81p—the 185m tax assessment has been discharged following the company's appeal to income tax commissioners.

FINANCIAL TIMES STOCK INDICES

Table with columns for indices (Government Securities, Fixed Interest, Industrial Ord., etc.) and values for May 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 1984, and year ago.

HIGHS AND LOWS S.E. ACTIVITY

Table showing Highs and Lows for various stock categories (Govt. Secs., Fixed Int., Ind. Ord., Gold Mines) and S.E. Activity (Daily Edged Equities, etc.).

LEADERS AND LAGGARDS

Table listing Percentage changes since December 30, 1983, based on Thursday, May 3, 1984. Includes categories like Metals and Metal Firms, All-Share Index, etc.

OPTIONS

First- Last Last For land Cement, Grindlays, Astra Deal- Declara- Settling Industrial, Intervest, Lister May 5 May 18 Aug 30 May 21 June 8 Aug 9 Sept 10 Bryson, Brunswick Oil, Royal June 11 June 22 Sept 13 Sept 24 Clyde Petroleum, Dunlop, Mercyrade Union, Brengren, etc.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

Large table with columns for Equity Groups & Sub-sections, Fri May 4 1984, and Highs and Lows Index. Includes categories like Building Goods, Electronics, etc.

FIXED INTEREST

Table showing Average Gross Redemption Yields for various fixed interest instruments (British Government, Local Govts., etc.).

Table showing Price Indices for various sectors (British Government, 5 years, 10 years, etc.).

CONSTITUENT CHANGE: Brockhouse (6) has been deleted and replaced by Evered Holdings (6). Corrected figures for 3/5/1984.

NEW HIGHS AND LOWS FOR 1984

Table listing New Highs and Lows for 1984 across various categories like British Funds, American Funds, etc.

RISES AND FALLS

Table showing Rises and Falls for various stock categories (British Funds, Industrials, etc.).

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday. Closing Day's price change. Closing Day's change.

THURSDAY'S ACTIVE STOCKS

Table showing Thursday's Active Stocks with columns for Stock, No. of Thurs. changes, Day's change, etc.

5-DAY ACTIVE STOCKS

Table showing 5-Day Active Stocks with columns for Stock, No. of Thurs. changes, Last Change, etc.

RECENT ISSUES

Table listing Recent Issues in Equities, including company names and issue details.

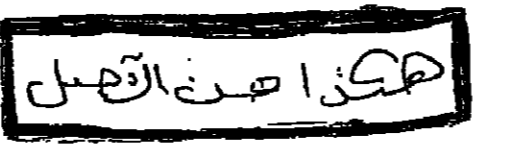
FIXED INTEREST STOCKS

Table listing Fixed Interest Stocks with columns for Issue Price, Date, Stock, etc.

RIGHTS OFFERS

Table listing Rights Offers with columns for Issue Price, Latest Date, Stock, etc.

Renunciation date usually last day for dealing free of stamp duty. Figures based on prospectus announcements. Dividend rate paid or payable as part of yield, if forecast dividend cover based on previous year's earnings. C-Canadian. Dividend and yield based on prospectus or other official estimates for 1983-84. Dividend and yield based on prospectus or other official estimates for 1984-85. G-Gross. P-Price unless otherwise indicated. Issued by tender. If application is made by the issuer, the issuer's offer will be accepted. Unlisted Securities. S-shares and 1 warrant. 1000 London Listing. 1 Each unit comprises 5 Pnc at suspension.



AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trst. Mgrs., 1-3 St Paul's Churchyard, and others with their respective details and prices.

FT UNIT TRUST INFORMATION SERVICE

Main table of unit trusts including Crown Unit Trust Services Ltd., Govett (John) Unit Mgmt. Ltd., and many others, listing fund names, managers, and performance metrics.

Continuation of the unit trust list, including companies like Miffland Bank Group U.T. Mgrs. Ltd., Legal & General Unit Trst. Mgrs. Ltd., and others.

INSURANCES - continued

Table of insurance companies including Albany Life Assurance Co Ltd, Commercial Union Group, and Friends Provident Life Office.

Table of insurance companies including Guardian Royal Exchange, Henderson Administration, and Lawson Fund Managers Ltd.

Table of insurance companies including CAL Investments (Bermuda) Ltd, Lazard Brothers & Co (Jersey) Ltd, and Swiss St Bank Equity Investors.

The Fleming Mercantile Investment Trust plc

An investment trust offering an actively managed portfolio with emphasis on overseas investment and on unlisted and other developing companies.

Table showing the distribution of the equity portfolio, with 46.1% in UK and 29.7% in North America, and other regional breakdowns.

Table of insurance companies including Skandia Life Assurance Co Ltd, Swiss Life Pensioners Ltd, and TSB Life Ltd.

Table of insurance companies including Zurich American Life Insurance Co, Zurich American Life Insurance Co, and Zurich American Life Insurance Co.

Handwritten signature or stamp at the bottom center of the page.

INSURANCE & OVERSEAS MANAGED FUNDS

Table of insurance and managed funds, including sections for Life Assurance, Property Growth, and Standard Life Assurance Company.

Table of insurance and managed funds, including sections for Standard Life Assurance Company, Bank of America International, and various international funds.

Table of insurance and managed funds, including sections for Bank of America International, Standard Life Assurance Company, and various international funds.

Table of insurance and managed funds, including sections for Standard Life Assurance Company, Bank of America International, and various international funds.

OFFSHORE AND OVERSEAS

Table of offshore and overseas managed funds, including sections for various international investment funds.

Table of offshore and overseas managed funds, including sections for various international investment funds.

Table of offshore and overseas managed funds, including sections for various international investment funds.

INDUSTRIALS - Continued

Table of industrial stocks including companies like British Airways, British Petroleum, and various manufacturing firms. Columns include stock price, high/low, and percentage change.

LEISURE - Continued

Table of leisure and entertainment stocks including British Telecom, British Airways, and various media companies.

PROPERTY - Continued

Table of property and real estate stocks including various real estate investment trusts and property development firms.

INVESTMENT TRUSTS - Cont.

Table of investment trusts including various funds and trusts offering different asset classes.

OIL AND GAS - Continued

Table of oil and gas stocks including major energy companies like BP, Shell, and Esso.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including various automotive and aviation-related companies.

Commercial Vehicles

Table of commercial vehicle stocks including manufacturers of trucks and vans.

SHIPPING

Table of shipping stocks including various shipping lines and maritime companies.

SOLES AND LEATHER

Table of shoes and leather goods stocks including various footwear and leather manufacturers.

Trns

Table of transport and transit stocks including various logistics and transport companies.

PAPER, PRINTING ADVERTISING

Table of paper, printing, and advertising stocks including various media and publishing companies.

TEXTILES

Table of textile stocks including various clothing and fabric manufacturers.

TOBACCO

Table of tobacco stocks including various tobacco companies.

PLANTATIONS

Table of plantation stocks including various agricultural and land management companies.

MISCELLANEOUS

Table of miscellaneous stocks including various other companies not categorized elsewhere.

PROPERTY

Table of property stocks including various real estate investment trusts.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including various financial and land-related companies.

FINANCE, LAND, etc

Table of finance, land, and other stocks including various financial and land-related companies.

MINES - Continued

Table of mining stocks including various mineral and metal mining companies.

REGIONAL & IRISH STOCKS

Table of regional and Irish stocks including various companies from different geographical areas.

INSURANCES

Table of insurance stocks including various insurance companies.

LEISURE

Table of leisure stocks including various entertainment and leisure companies.

OIL AND GAS

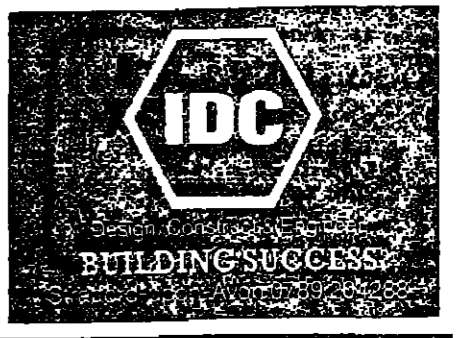
Table of oil and gas stocks including various energy companies.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks including various precious metal companies.

Options - 3-month call rates

Table of 3-month call option rates for various stocks and indices.



MINES - Continued

Table of mining stocks including various mineral and metal mining companies.

Trns

Table of transport and transit stocks including various logistics and transport companies.

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Table of miscellaneous stocks including various other companies not categorized elsewhere.

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Notes and footnotes regarding the data, including information about the source of the data and any limitations.

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MAN IN THE NEWS

Steelmen break ranks

BY MARK MEREDITH

THE FIRST sortie by the "Mexican Bandit" around 3.30 on Wednesday afternoon knocked a hole in the miners' campaign, badly damaged trade union unity and lost Tommy Brennan a lot of friends.

That day his cause as union convenor at British Steel's big Ravenscraig mill in Scotland had to take priority over the cause of Britain's miners.

The unions in the mill had just announced their agreement to management plans to defy the miners' decision to cut the mill's supply of coal from two trainloads to one a day. Coal for the coke ovens would now be brought in by truck from the Hunterston terminal on the Ayrshire coast.

Within minutes the first convoy of lorries thundered up Meadowhead Road, Mexican Bandit, a trucker's pet name printed on a licence plate behind his windshield, was number two. Small chunks of coal spilled out as the trucks



Tommy Brennan

turned hard round the corner and into the gates, past triple rows of police holding back infuriated miners pickets.

For a union man, breaking ranks like this was an agonising moment. "It has been the most difficult decision we have had to make at the mill here," he says. "The miners want to protect their industry, but we have got to protect ours."

Things then went from bad to worse as Brennan's first stab at local politics—trying for a Labour seat on Motherwell district council on Thursday night—ended in defeat at the hands of a Scottish Nationalist.

His whole ugly week for Brennan would not have been so bad had he not been in the thick of the campaign to save Ravenscraig from closure over the past two years.

Brennan, a full-time convenor, has emerged as a highly articulate front man for the effective nucleus of union men at Ravenscraig. They have orchestrated a campaign which has essentially made the closure of the works appear politically unacceptable and industrially unwise.

The momentum in this campaign is still there, just as the chance is still there that Ravenscraig may eventually have to close to stem the British Steel Corporation losses and trim over capacity in the UK's strip steel mills.

As the steel industry in Scotland has contracted dramatically over the past 10 years, Ravenscraig has been left at the heart with Brennan almost a spokesman for steel in Scotland.

He is good with journalists, and his wife and children field the scores of telephone queries at their home about a mile from the works when Brennan is away for the day fishing.

Liverpool's Labour victors set for budget collision

BY PETER RIDDELL, POLITICAL EDITOR

THE GOVERNMENT is heading for a major constitutional and political clash with Liverpool City Council over its proposed illegal budget as a result of the ruling Labour group's increased majority in Thursday's council elections.

The prospect of this battle may overshadow the strong advances by Labour in the local council elections throughout Scotland and in the big cities of England.

The Conservatives lost ground in these elections and in the three parliamentary by-elections where SDP/Liberal Alliance candidates sharply reduced the Tory majority in Surrey South West and in Stafford. Labour broadly maintained its position in holding Cynon Valley, South Wales, with the Alliance in second place.

The Alliance, especially the Liberals, was relatively the largest gainer of seats in the local elections, being the major challenger to the Tories in southern England and outside the big cities.

An emergency Bill to appoint commissioners to take over Liverpool's administration is ready to be rushed through Parliament if the council goes ahead with its proposal to approve an illegal budget and

rate later this year and if this leads to financial collapse and breakdown of services.

The city's Labour leadership yesterday claimed the "votes" support for its policies after an increase in the party's majority from 10 to 17 seats, even though its share of the vote was no better than a year ago.

Five Labour councillors previously rebelled and blocked the budget package, but they may now be outvoted over proposals for a single figure rate increase and no cuts in jobs and services, not causing a big, illegal deficit.

Mr Neil Kinnock, the Labour leader, yesterday appealed to the councillors to prepare a legal budget and urged the Government to give special financial support. He said in a BBC interview that the council would do best by staying in the people of Liverpool by staying in their elected positions so that they can mitigate, protect and dilute the effect of central government cuts.

However, the Liverpool Labour group's stand is strongly backed by many of the Labour Left nationally and the issue threatens to divide the party in the summer and at the annual conference in Blackpool in October. Mr Tony Benn said

yesterday that Labour must rally behind Liverpool, comparing the council's struggle with that of the miners.

Mr Patrick Jenkin, the Environment Secretary, urged the council to listen to Mr Kinnock and not to break the law. Mr Jenkin said he would put in commissioners, "only as a very last resort" if services had dramatically broken down.

Mr Kinnock said at the Wales TUC's annual conference in Llandudno that, if the local election had been a general election, he would be Prime Minister and the miners' dispute would be settled by next week.

In contrast, Mrs Thatcher commented, as she left Downing Street for talks in Paris with President Francois Mitterrand that the results were "excellent. We won."

Mr David Steel, the Liberal Leader, said the three by-elections proved that the opinion polls seriously underestimated the Alliance's strength.

Labour and the Alliance will see to it that the party in Liverpool is not split in the campaigns about to be launched for the European Assembly elections on June 14. Local election analysis, Page 4. Politics today, Page 16

Nigerians scramble on currency deadline

By Quentin Peel, Africa Editor

ECONOMIC activity in Nigeria has almost ground to a standstill over the past 10 days, as people have converged on banks to exchange old naira banknotes for new.

With two days to go before the deadline expires on Sunday night, continuing confusion was reported yesterday from Lagos and other main cities of Africa's most populous state.

Queues have been forming at main banks, spilling for hundreds of yards down city streets, from the early hours of the morning, with Nigerians seeking to change the maximum permitted N5,000 (4,500) limit.

Traders in the cities shut their shops and stalls, rather than accept the old notes. Meat and bread have become unobtainable in many parts of Lagos and Kano, the largest city in the north. Petrol supplies have run out in other areas.

In an effort to ease out dwindling supplies of the new notes, Dr Onosopale Soleye, the Minister of Finance, announced a new limit for exchanges of N500 per person on Thursday night, with the balance obtainable next week.

He also ordered the banks to cease all other activities and to remain open from 8 am to 8 pm until tomorrow night so that demand may be met. However, he ruled out any extension of the deadline.

In spite of the confusion, the operation appears to have achieved a key part of its objective in catching by surprise the major currency traders, black marketers and illegal naira-holders outside Nigeria.

All international flights have been routed through Lagos for exhaustive Customs searches, and newspapers in Lagos have carried reports of up to N1m (200,000) being found in a single aircraft.

More than 120 people have been arrested at Murtala Mohammed International Airport for currency offences, while at least 60 officials in Nigerian commercial banks had also been arrested by Thursday. Angry crowds were said to have attacked bank officials suspected of giving some people preferential treatment.

The exercise was announced on Easter Monday and launched two days later on April 25, having been planned without the knowledge of most top officials and members of the military government. By April 30, at least N1.6bn in new notes had been distributed, according to the central bank.

The deadline expires one day before a new budget, which seems certain to bring in further drastic austerity measures to reduce the Government's budget deficit.

Meanwhile, International Monetary Fund officials are expected in the Nigerian capital next week to complete arrangements for a three-year extended credit of between \$2.6bn and \$3.2bn (£1.5bn-£2.3bn).

The sticking point so far has been the unwillingness of the Nigerian government to devalue the naira.

The currency change caused a small consumer boom in its first days, with electrical goods, cars and other consumer durables selling at absurdly inflated prices.

Airline tickets also became a popular way of offloading excess cash, before airlines started to restrict sales.

Unions to halt Ravenscraig coal

BY PHILIP BASSETT, DAVID GOODHART AND ROBIN REEVES

TRANSPORT UNIONS decided yesterday to try to halt all extra supplies of coal for British Steel's Ravenscraig steel plant in Scotland at the same time as miners' leaders agreed to supply coal to the threatened Llanwern steel mill in South Wales.

Picketing by miners at Ravenscraig was light. But local all union leaders agreed to halt the one daily trainload of coal which the miners have been allowing into the plant.

All supplies will now have to be moved by road, doubling the amount needed to be taken in by lorry to prevent the coke ovens from cooling. Four convoys of lorries, about 60 in all, went in yesterday.

The Transport and General Workers' Union said after a meeting in Glasgow with the road hauliers carrying in the coal that it would be asking drivers to respect picket lines. It is not clear how successful this is likely to be: one haulier said he would continue to deliver coal, but others thought

there was now a question over deliveries today.

In Wales, miners' leaders agreed to provide the Llanwern mill with an emergency supply of four trainloads of coke, totalling some 30,000 tonnes, to avoid damage to the plant.

The deal was worked out between the Triple Alliance unions—coal, steel and railways—in the corridors of the Wales TUC's annual conference in Llandudno.

The deal was required urgently to avoid irreparable damage to Llanwern's coke ovens. National Union of Mine-workers' leaders accepted that the condition of these ovens was critical.

In the coal dispute itself, agreement between the National Coal Board and the NUM seemed as far away as ever. Mr James Cowan, the NCB's deputy chairman, was not optimistic about a quick breakthrough in a far from conciliatory speech given to the colliery

managers' conference in Blackpool.

He took a hard line against the "lies" of the NUM leadership, comparing it unfavourably with that of former NUM president Lord Gormley. He also emphasised that not all unprofitable pits were threatened with closure.

The temperature of the dispute seems likely to be heightened next week. Miners' leaders are making a number of rallying calls over the weekend.

About 10,000 people are expected to attend a rally in Mansfield, which will be a forerunner of the NUM's long-awaited demonstration set for May 14.

At Llandudno, Mr Neil Kinnock, the Labour Party leader, said the clear message of Thursday's by-elections and local elections was that people wanted Mrs Thatcher to call in Mr Ian MacGregor, the NCB chairman, to sort out the strike. Netts coal output down, Page 4

Lotus wins tax assessment appeal

BY JOHN GRIFFITHS

GROUP LOTUS, the specialist car producer, has won its appeal against \$85m in protective tax assessments by the Inland Revenue.

Five days of hearings by the General Commissioners for Income Tax led to the lifting of the assessments against Group Lotus and its vehicle manufacturing arm, Lotus Cars.

Lotus's announcement of the decision produced a 3p rise in its share price, which closed last night at 81p, compared with 61p a week earlier.

The assessments were imposed in January, as the Inland Revenue continued its efforts to trace nearly \$9m unaccounted for after the collapse of the De Lorean sports car venture.

The funds were placed in a Swiss company, GPF Services, by U.S. investors in De Lorean and by the UK government-funded Belfast manufacturing subsidiary. The money was intended to pay Lotus for developing the car. None of it was received by Lotus.

About \$8m was identified as having been received by Mr John De Lorean, now on trial on drug-trafficking charges.

Mr David Wickens, Lotus chairman, protested that the assessments were simply being used by the Inland Revenue as a means by which it might explore all the interests of the late Mr Colin Chapman, Lotus's founder.

The De Lorean deal was nego-

ciated on Lotus's side by Mr Chapman and his then-finance director, Mr Fred Buschell. Mr Buschell's "abolition of his duties" as deputy chairman by Group Lotus immediately after the tax assessments were made, and is now running the group's independent grand prix racing.

Mr Wickens took his protests to Mr Norman Lamont, Minister of State for Industry, to get the appeal speeded up on the grounds that the assessments were damaging Lotus's business.

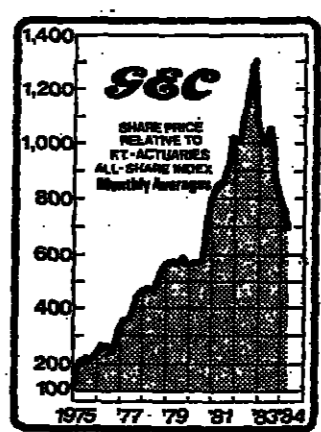
He claimed the assessments were undermining the turnaround in Lotus's car business and its intention to produce 900 cars this year, a 40 per cent increase on 1983.

Ford incentives, Page 3

Static on the GEC line

THE LEX COLUMN

Index fell 7.4 to 915.4



GEC is not in the habit of making policy statements so the arrival this week of an announcement detailing the background to the group's purchase of shares in Distillers was an event in itself, irrespective of the content. It is hard to imagine the GEC of a few years ago feeling compelled to explain—let alone justify—anything to anyone.

Yet as the accompanying chart eloquently testifies, the perception of GEC has changed dramatically over the past two years, forcing the company itself to reappraise its relationship with the City. If GEC hoped to still the critics through last week's statement, it almost certainly failed. Lord Westincoast is no doubt as good a fund manager as any in the business but the company's stated intention of directing assets towards portfolio investment in equities only aggravated the City's concern about the direction of GEC's own industrial business.

GEC is, of course, a victim of its own success. The flat profits which analysts are expecting for 1983/84 follow more from the lower returns available on the cash resources than from a deterioration in the operating division. Yet those lower returns, which the Distillers and other investments are designed to correct, only underline in the market's eyes GEC's inability to invest adventurously in the electrical industry. The cash mountain, once a tribute to financial control, is now the badge of an excessively cautious management.

GEC can argue, with some justice, that it has continued to support its operating divisions. The published 1982/83 capital spending bill of £208m exceeded the depreciation charge by a full £70m. Moreover, it can summon in defence of its cautious acquisition strategy a host of unsuccessful acquisitions by others in the electrical industry and in the U.S. Had GEC, for example, summoned up the courage to bid for Westinghouse, it would by now be looking extremely foolish.

Yet it is questionable whether the overriding emphasis on financial controls which saw the group so successfully through the 1960s and 1970s is any longer appropriate to markets which are seeing protective barriers fall as fast as entry costs rise. In contrast to Plessey, for example, GEC has shown such hesitation in developing an international telecommunications business that it is open to doubt whether the

group can now snatch a large enough world market share to justify a full presence.

Similarly, GEC's understandable reluctance to enter the computer and consumer electronics markets in which it does not feel altogether at home has given its business portfolio an unattractively mature profile.

In response to these problems, GEC has contemplated major acquisitions, of which AEG was a notable case. Large-scale demerger and the creation of a financial services group to utilise the cash. Its failure to pursue any course with real determination has become more conspicuous as the inevitable, and real, worries about management succession have grown.

GEC is, and will remain, a tough and successful competitor in markets ranging from turbine generators to defence electronics. But its time-honoured role as international flag-carrier of British technical and commercial enterprise is one which the group is in danger of losing.

Interest rates

gilt dealers are not enjoying their long weekend. It proved impossible to find one yesterday who did not expect to see base rates rising to 9 per cent next week. Tuesday afternoon's money supply and bank lending figures—variously expected to show rises in sterling M3 of between 1 and 1.1 per cent and lending of £550m to £1bn—may be the trigger for a rise. But the cause will have been the move in three-month inter-bank rates to over 9 per cent since Wednesday, touching 9.4 per cent yesterday. Even banking figures better than best hopes might not stop Barclays from applying its formula and

pushing its base rate up from 8.5 per cent. The other dealers, whose rates are at 8.5 per cent, could hardly fail to follow.

The Bank of England has throughout studiously avoided making signals, and seems to have made no effort to stop the rise in inter-bank rates. But while the market had discounted a base rate rise, yesterday's remarks by Dr Henry Kissinger that rates in the U.S. were set for a "spectacular" rise, and the fall in the long bond to a new low (where it yields 13 per cent) gave no comfort to anyone in the London markets.

The presence of a convertible tap, unsuccessfully offered this week, and new trading at more than a half point discount to the \$50-paid price, is a further stop on the gilt market. Baring miracles, that tap could be dripping for some time.

Tootal

Tootal has rather less to show for all the recovery in the textiles sector last year than its shareholders might reasonably have expected. The shares have underperformed the market by 2 per cent over the last three months, but they must yet retain a substantial bid premium—and it sometimes seems almost as though Tootal's board is bent on demonstrating how easy it might be to take the company over.

Yesterday's preliminary figures for the year to January show pre-tax profits up from £14.5m to £17.2m but disclosed neither the scale of continuing above-the-line reorganisation costs nor the extent of the undoubted recovery in Tootal's U.S. operations, which only broke even in 1982/83. By contrast, management has made it clear it expects little or no revival over the current year in UK exports of wax printed textiles to West Africa, which collapsed mid-way through last year removing a large slice of pre-tax profits and helping to produce a 3.5 per cent fall in group turnover. It has also come clean on mismanagement in its UK branded clothing businesses, which have lost money and overshadowed the successful growth of Tootal's sales to Marks and Spencer.

Parading the problems while hiding its recovery prospects under a bushel, though, might just not be enough to pull in the bidders. At 47p, down 13p, Tootal is capitalised at £84m, pointing to a putative purchase price—say £110m—where few predators will think it an irresistible proposition.

44.5%

*growth in the 12 months to 1st April, 1984

MERCURY RECOVERY FUND

*offer to offer, net income reinvested

Mercury Recovery Fund is a unit trust which aims for capital growth through investment in currently undervalued shares or companies poised for a recovery in their fortunes. The name of the Fund has recently been changed from Mercury Income and Recovery Fund, reflecting a decision to invest primarily for capital growth.

The Fund's performance (as Mercury Income and Recovery Fund) over the 12 months to 1st April, 1984 made it one of the leaders in the UK Growth unit trust sector. Since its launch

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CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

Astbury & Madeley	107 + 9	Sovereign Oil	318 + 19
Blockleys	805 + 80	Geover Tin	173 + 8
Brent Chemicals	110 + 6	Treas 10pc 1987	297.5 - 1/4
Causton (Sir Joseph)	80 + 5	Treas 13 1/2pc 2004-8	212.24 - 1/8
Commons Bros	173 + 21	Beazer (C. H.)	420 - 10
Lorhrie	145 + 8	British Home Stores	224 - 10
Lorlin Electronics	176 + 15	Costain	232 - 10
Marshall's	218 + 9	Dunlop	41 - 6
Nottingham Brick	133 + 7	Grandt Metropolitan	354 - 6
Richards	37 + 7	ICI	588 - 8
Weeks Associates	183 + 4	Midland Bank	297 - 6
Atlantic Resources	88 + 8	Miles 33	225 - 17
Carlisle Capital	247 + 7	Plessey	226 - 6
Dowle Eagle	47 + 10	M.T.D. (Manila)	11 - 4
Eglinton Oil	245 + 20	Metals Exploration	35 - 10

WORLDWIDE WEATHER

UK today: Rain in N Scotland, sunny with showers elsewhere. Warm in the centre and west.

City	Y'day	Today	City	Y'day	Today	City	Y'day	Today	City	Y'day	Today
Alaccio	C 17	63	Corfu	S 19	66	Luxembg	C 15	59	Peking	C	—
Algiers	C 17	63	Dallas	F 12	55	Medellin	—	—	Perth	C	—
Anasim	C 12	54	Dublin	S 14	57	Moscow	—	—	Prague	S	—
Athens	S 22	72	Dzrnk	S 23	72	Mumbai	C 19	82	Riyadh	S	—
Bahrain	—	—	Edburgh	C 8	46	Malaga	F 22	76	Rodas	S	—
Barcelona	S 18	64	Faro	S 20	68	Malta	S 22	72	Rio de J	—	—
Bombay	S 19	68	Glasgow	S 11	52	Melb	—	—	Saitog	F	—
Buenos	S 15	59	Frankfr	S 16	61	Montr	R 7	42	Saintp	F	—
Calcutta	S 28	79	Geneva	S 13	55	Moscow	S 25	77	Singap	—	—
Cairo	S 19	68	Hong Kong	S 11	52	Munich	S 13	55	Sydney	S	—
Canton	S 28	79	London	S 15	59	Nairobi	S 13	55	Taipei	S	—
Cebu	S 27	81	Lyons	S 14	57	Naples	S 23	73	Tel Aviv	S	—
Colombo	S 27	81	Manila	S 14	57	Nassau	S 16	64	Tokyo	S	—
Delhi	S 27	81	Medellin	S 14	57	Norfolk	F 11	52	Ulanb	S	—
Dhaka	S 27	81	Montfr	R 7	42	Norfolk	F 11	52	Ulanb	S	—
Dublin	S 14	57	Moscow	S 25	77	Norfolk	F 11	52	Ulanb	S	—
Edinburgh	C 8	46	Munich	S 13	55	Norfolk	F 11	52	Ulanb	S	—
Geneva	S 13	55	Nairobi	S 13	55	Norfolk	F 11	52	Ulanb	S	—
Hong Kong	S 11	52	Naples	S 23	73	Norfolk	F 11	52	Ulanb	S	—
London	S 15	59	Nassau	S 16	64	Norfolk	F 11	52	Ulanb	S	—
Lyons	S 14	57	Norfolk	F 11	52	Norfolk	F 11	52	Ulanb	S	—
Manila	S 14	57	Norfolk	F 11	52	Norfolk	F 11	52	Ulanb	S	—
Medellin	S 14	57	Norfolk	F 11	52	Norfolk	F 11	52	Ulanb	S	—
Montfr	R 7	42	Norfolk	F 11	52	Norfolk	F 11	52	Ulanb	S	—
Moscow	S 25	77	Norfolk	F 11	52	Norfolk	F 11	52	Ulanb	S	—
Munich	S 13	55	Norfolk	F 11	52	Norfolk	F 11	52	Ulanb	S	—
Nairobi	S 13	55	Norfolk	F 11	52	Norfolk	F 11	52	Ulanb</		